# INFORMATION LETTER

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## OPA ESTABLISHES SPECIFIC DOLLARS AND CENTS CEILING ON MAINE SARDINES

### First Canned Fish Order Reduces the Maximum Charge to Wholesalers by 11 Per Cent

In the first specific price control regulation affecting the canned fish industry, the Office of Price Administration, on July 23, set definite "dollars and cents" ceilings on Maine sardines, reducing maximum prices which canners may charge wholesalers by approximately 11 per cent. The order, Maximum Price Regulation No. 184 (Maine Sardines), which became effective July 23, is expected to be the forerunner of similar price control on other canned fish, according to the OPA press release.

No change was made in either wholesale or retail prices to be charged for Maine sardines. These continue, as previously, at the individual merchandiser's highest March, 1942 sales prices under the General Maximum Price Regulation, since the March price relationship between wholesale and retail sales prices generally is equitable and satisfactory to all merchandisers involved, stated the press release, continuing, "Thus, there may be no change in the price of Maine sardines to the ultimate consumer."

Prior to issuance of Regulation No. 184, OPA had taken no steps towards controlling the fish industry by individual schedule, but had excepted fresh fish and seafood from the GMPR. However, at that time, canned, frozen, salted and pickled fish were placed under GMPR at canner, wholesaler, and retailer levels. The OPA statement continued, as follows:

"Unfortunately, inception of the General Regulation with its March, 1942 price ceilings found Maine sardine canners at the tail-end of their season, with light stocks on hand. War Production Board Order M-86-b allocates the entire 1942 Maine sardine pack to government purchasing agencies, especially Lend-Lease, if required. However, probably about one-third of the total output will be returned to civilian consumption by the Government's failure to take up its option. In addition, previous substantial and competitive imports to this country of sardines from Norway and Portugal have been largely cut off by shipping difficulties. Furthermore, there were indications that the 1942 sardine pack, which usually starts from canneries in April, would be somewhat smaller than the record 77,000,000-pound 1941 output.

"These factors influenced canner reasoning in boosting quite sharply during March, offering prices on their remaining small supplies to civilian buyers.

"The average price of Maine sardines during 1941 was $3.95 per case of keyless ¼'s standards packed in cottonseed oil, soybean oil or mustard. March deliveries to government purchasing agencies were made at $4 for this grade. However, maximum prices reported by canners during that period for domestic trade ranged from $3.80 to $5.25, with indications that still higher prices had been charged in isolated instances. Average probably was around $5.15.

"Meanwhile, however, the wholesale and retail trade had more adequate stocks, some acquired earlier in the season at much lower prices. For this reason, their prices at wholesale and retail did not reflect, in most instances, the higher scattered March sales by the canners. Thus, by freezing at March peaks, the wholesaler and retailer ceilings would not permit their continuing to handle distribution of the 1942 pack of Maine sardines profitably, if they paid the canner's higher maximums.

"In March, Eastport and Lubec canners agreed, in negotiations with the Federal Surplus Commodities Corp., that for government sales $4 per case was a proper price for keyless ¼'s, cottonseed oil, standard pack, with a 5 cents per case differential for tomato sauce. This price is f. o. b. Portland, Me., with 7 cents per case added to cover transportation costs from canneries located in eastern Maine to Portland, thus continuing canners in their normal relationship to each other, regardless of location factor.

"However, civilian sales call for slightly higher canner prices, inasmuch as they take lesser quantities and bookkeeping, handling and credit arrangements are not on a par with government purchases. Therefore, OPA after consultation and agreement with the canners, set a ceiling price for the industry of $4.47 per case on civilian sales of keyless ¼'s

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## HOUSE PASSES 1942 TAX BILL

### Would Make Sharp Increase in Individual and Corporation Income and Excess Profits Taxes

On July 20 the House of Representatives passed the long considered 1942 tax bill with but one change in the measure as it had been reported by the House Ways and Means Committee. The bill was sent to the Senate Finance Committee for consideration, and hearings before that Committee began on July 24, and will continue approximately four to six weeks.

The tax bill in its present form proposes a combined normal and surtax rate of 45% and an excess profits tax of 90%. As reported by the Ways and Means Committee, the bill provided for an 87½% excess profits tax, and a combined normal and surtax corporation tax of 45%. While the bill was being debated on the floor of the House under a rule which required acceptance or rejection of the tax bill as a whole, the House Ways and Means Committee recommended that the excess profits rate be increased to 90% and the combined normal and surtax rates be reduced to 40%. The House accepted the recommended increase in the excess profits rate to 90%, but rejected the proposed reduction in the surtax rates.

The tax bill is designed to yield additional revenue in the amount of $6,305,300,000. Of this amount, over $5,500,000 is to be derived from increased corporate and individual taxes; and it is these increases in corporation

income and excess profits taxes which are of primary interest to canners, as well as the relief provisions which have been incorporated to alleviate in part the undue hardships placed upon canners by existing excess profits tax provisions. The principal provisions of the bill are summarized below:

### Changes in Individual Taxes

The normal tax rate on individual incomes has been increased from 4% to 6%, and the surtax rates are increased substantially. At present, the law provides a graduated scale of surtax rates ranging from 6% to 77%. Under the House bill, the surtax rates range from 13% to 82%. As at present, the surtax rates are applicable to the first dollar over and above the personal exemption and credit for dependents.

The bill further increases individual taxes by lowering the personal exemptions for a married person from $1,500 to $1,200, and for a single person from $750 to $500. Specific relief is given to members of the armed forces by retaining the present personal exemptions of $1,500 for married persons and $750 for single persons engaged in active service. The present credit for dependents is retained at $400 for each dependent.

The use of the simplified return, which was first authorized by the Revenue Act of 1941, is permitted in the new bill for persons having a gross income of $3,000 or less.

One new feature which has been added to the tax bill will be of particular interest to canners, since it will increase employers' bookkeeping problems. Beginning January 1, 1943, employers will be required to withhold 5% of the current wages of employees, and beginning January 1, 1944, to withhold 10%. To assist the employer in computing the amount of salary subject to the 5% withholding tax, the taxpayer will be required to furnish his employer with a statement as to whether he is single, married and living with wife or husband, the head of a family, or has dependents. The Treasury Department will then furnish the employer with a table showing the amount of wages which will be exempt from the withholding tax on the basis of the employee's status. The 5% withheld during the year 1943 will be allowed as a credit against the income tax for 1943, payable in 1944. The 10% withheld in 1944 will be allowed as a credit against the income tax for 1944 payable in 1945. Wages paid for agricultural labor, domestic service in a private home, and casual labor are exempt from the withholding provision. All dividends and bond interest are likewise subject to the withholding tax.

The employer is required to furnish the employee with a written statement on or before February 15 of the succeeding year, giving the amount of wages paid during the tax year and the amount of tax withheld. This provision may raise difficulties with seasonal, transient labor. A similar statement must also be furnished to the employee each payday. In the case of dividends and bond interest, a statement must be furnished to the person receiving the dividend or interest, showing the amount of tax withheld.

### Changes in Corporation Income Taxes

One of the changes made by the new tax bill is a change in the base for the corporation tax. Under present law, the excess profits tax is computed first and is deducted before computing the amount of normal tax and surtax. The bill changes this method of determining the tax base by dividing the net income into two portions, the first of which is subject to excess profits tax alone, and the other of which is subject to the normal tax and the surtax. In other words, the base amount of income which is subject to excess profits taxation is first determined and the entire excess profits tax base is then deducted before computing normal taxes and surtaxes. While in most cases this revision may make little change in the amount of tax, it is expected to simplify the task of computing taxes due.

Normal tax rates on corporations remain unchanged, and as at present, range from 15% to 19% for corporations having net incomes of less than $25,000 and 24% for corporations having net incomes over $25,000.

The existing surtax rate is 6% upon the first $25,000 of surtax net income and 7% upon surtax net income in excess of $25,000, and the first $25,000 is taxed at 6% regardless of the size of the total surtax net income. The bill passed by the House increases the surtax rate to 10% on the first $25,000 and 21% on surtax net incomes in excess of $50,000. Unlike the present tax bill, the 21% rate applies to the entire surtax net income if it exceeds $50,000.

The effect of the increased surtax rate is to bring the combined normal and surtax rate up to 45% on corporations with net incomes over $50,000. When the tax bill was being considered by the House, the House Ways and Means Committee recommended that this combined rate of 45% be reduced to 40%, but the recommendation was defeated. It is expected that the Senate Finance Committee will reconsider lowering the corporate surtax rate.

### Changes in Excess Profits Taxes

Under existing law, the excess profits tax rates are graduated from 35% to 60%. The proposed tax bill eliminates the graduated rate and provides a flat excess profits tax rate of 90%.

The first committee print of the proposed tax bill authorized the Secretary of the Treasury to establish a credit for each taxpayer equal to 14% of the adjusted excess profits net income of the taxpayer, and to issue United States bonds in that amount to the taxpayer which would be non-interest bearing and non-negotiable until the end of the present war. This post-war credit provision was stricken out by the House Ways and Means Committee. It is probable that a post-war refund provision again will be considered by the Senate Finance Committee.

The bill passed by the House retains the provision giving taxpayers an option to compute their excess profits tax on either the invested capital or the average earnings basis. It also retains the excess profits credit carry-over provision permitting taxpayers to carry over and make up differences in earnings in past years before current earnings are deemed subject to the excess profits tax. (See page 6455 of the INFORMATION LETTER of March 1, 1941, for discussion of this provision.)

As reported in INFORMATION LETTER No. 875 of March 21, 1942, representative canners appeared before the House Ways and Means Committee and urged that some additional relief be provided for the canning industry under the excess profits tax provision, since most canners are unable to utilize the "average earnings" method of tax computation because the base years 1936 to 1939 were years of low earnings and losses for the greater part of the industry. Although the Committee did not adopt the specific proposals presented to it, the proposed tax bill incorporates a further relief provision aimed at relieving the hardships experienced by the canning industry. Specifically, taxpayers establishing the fact that a tax computed on the earnings during the years 1936 to 1939 would result in an excessive and discriminatory tax, will be permitted to substitute for the 1936 to 1939 period a more representative base period for computing average earnings. Apparently the final decision as to which four-year period presents a truly representative period of normal earnings for a canning company, will rest

with a newly-created division of the Board of Tax Appeals. To obtain the benefits of the relief provided by this section, the taxpayer is required to make application therefor in accordance with regulations later to be prescribed by the Commissioner of Internal Revenue. These regulations will probably reveal the measure of relief which will be allowed under this section and provide some clue as to the years which will be permitted as a base period generally for the canning industry. All controversies arising under the relief sections of the bill will be referred to a special division to be created within the Board of Tax Appeals. (Under the proposed bill the Board of Tax Appeals is re-named "United States Tax Court.")

The relief permitted by this new section will not be available unless the excess profits tax payable exceeds 6% of the taxpayer's normal tax net income and unless the relief afforded would diminish the excess profits tax otherwise payable by more than 5%. Thus, a taxpayer with an excess profits tax of $100,000, computed without regard to the relief provision, cannot obtain relief under the proposed tax bill unless such relief would reduce the excess profits tax $5,000. In any case, the relief provision cannot operate to reduce the excess profits tax below an amount equal to 6% of the normal tax net income.

A canner may, however, continue to employ the invested capital method of computing excess profits taxes. At present the invested capital credit is based upon an allowance of 8% on the first $5,000,000 of invested capital and 7% on the invested capital in excess of $5,000,000. The proposed tax bill provides that the invested capital credit shall be reduced to 6% (instead of 7%) on invested capital from $10,000,000 to $200,000,000, and to 5% (instead of 7%) on invested capital in excess of $200,000,000.

The specific exemption which is allowed in computing the excess profits tax has been increased from $5,000 to $10,000 for the purpose of affording some relief to small corporations as compensation for the elimination of the graduated excess profits tax.

In addition to the payment of the 90% excess profits tax, corporations are still subject to the capital stock and the declared value excess profits tax. The only change proposed by the House bill is that a corporation may state its declared value annually instead of every three years as under present law. Under the capital stock tax, a corporation declares its valuation and pays a tax of $1.25 per $1,000 of declared valuation. If the profits of the corporation do not exceed 10% of the declared value, the corporation pays no declared value excess profits tax. If the corporate profits exceed 10% of the declared value, a tax of 6.6% is imposed on the profits between 10% and 15% of the declared value, and 13.2% is imposed on the profits in excess of 15%. Capital stock taxes and declared value excess profits taxes continue to be deductible from income in computing excess profits taxes and normal and surtaxes.

### Amortization of Emergency Facilities

At present, corporations alone are permitted to amortize emergency facilities on the grounds that corporations only are subject to the excess profits tax. The report of the Ways and Means Committee stated that recent increases in individual tax rates "lay such a substantial burden upon non-corporate businesses engaged in war production that it seems only equitable to provide amortization for their emergency facilities as well as those used by corporate business". Thus, the proposed tax bill will permit individuals and partnerships to amortize emergency facilities completed or acquired after December 31, 1939, and gives them six months after the beginning of the construction or after acquisition to apply for a certificate of necessity, or three months after enactment of the revenue bill, whichever is later.

Under existing law, the allowance of amortization to corporations is confined to emergency facilities which were acquired or constructed after June 10, 1940, and the proposed tax bill extends the amortization allowance to corporations whose emergency facilities were completed on, or acquired after, December 31, 1939. Corporate taxpayers will be allowed three months after the enactment of the new tax bill in which to make application for amortization with respect to facilities completed or acquired between December 31, 1939, and June 10, 1940.

### Changes in Treatment of Fiscal Year Taxpayers

Heretofore, a taxpayer operating on a fiscal year basis was not subject to the current tax rate until the beginning of his next fiscal year. Thus, taxpayers with fiscal years ending within 1942 would ordinarily be permitted to use the 1941 tax rate for those months in the calendar year of 1942 which were included within the previous 1941 fiscal year. The position of the House Ways and Means Committee was that, so long as there is no great difference between the rates applicable to one year and those applying to a succeeding year, this method of applying income and profits tax amendments causes no substantial hardship. With the greatly increased rates in effect for the calendar year 1942, however, the House Committee concluded that taxpayers operating on a fiscal year basis would receive a decided advantage in tax rates as to those months in 1942 which were included in the 1941 fiscal year. In order to remedy this situation and to apply the 1942 revenue bill with equal force to all taxpayers, the House bill provides, in effect, that a corporation operating on a fiscal year basis must compute the taxes for any months falling within the calendar year 1942 at the rate provided in the proposed tax bill, rather than at 1941 tax rates. Thus, a corporation operating on a fiscal year basis must compute the taxes for the entire fiscal year at the 1941 rates, and also the taxes for the entire fiscal year at the 1942 rates, and then pay a tax on the basis of an allocation of the amounts so computed to the number of months of the fiscal year falling within 1941 and 1942. For example, if a corporation has six months of its fiscal year in 1941 and six months of its fiscal year in 1942, its tax will be the sum of 50% of the amount of tax computed under the 1941 rates and 50% of the amount computed under the 1942 rates.

It is expected that the Senate Finance Committee will reconsider this provision concerning fiscal years in view of its broad application to all seasonal industries.

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## Fruit Cocktail Standard of Identity Promulgated

The regulation fixing and establishing a definition and standard of identity for canned fruit cocktail, and requiring certain optional ingredients to be named on the label has been promulgated by the Federal Security Agency and will become effective 90 days from July 21, 1942. The regulation, as published in the *Federal Register* for July 21, except for slight changes in phraseology, was published in full in the INFORMATION LETTER for May 23, 1942. The changes in phraseology in no way alter the requirements promulgated in final form. Last week's LETTER carried the proposed standard of quality and fill of container for canned fruit cocktail.

## Sugar Base Formula for Special Cases

A formula for determining the sugar base of an industrial user for the months his establishment was closed during 1941 because of strike, flood, fire, or similar reasons, was announced July 22 by the Office of Price Administration.

If an industrial user did not operate on a normal basis during any particular month or months in 1941, his sugar base will be his usage of sugar during the comparable month or months of 1940, adjusted by the percentage increase or decrease in his usage of sugar during his normal months of operation in 1941 over 1940, OPA said.

For example, an applicant may report that a flood interrupted his business for a period of three weeks in July, 1941. His total consumption of sugar in 1941 was 1,250,000 pounds, 50,000 of which were used in the one week of July that he operated. In 1940, he used a total of 1,080,000 pounds, of which 80,000 were used in the month of July.

His base would be determined as follows:

| | |
|---|---|
| Adjusted 1941 sugar usage excluding July | 1,200,000. |
| Adjusted 1940 sugar usage excluding July | 1,000,000. |
| Increase of 1941 over 1940 | 20 per cent. |

Adjusted July base (120 per cent of July, 1940 use of 80,000 pounds) 96,000 pounds. His allotment would then be determined in accordance with rationing regulations.

If the interruption occurred during May, June, July or August, months for which allotments already have been granted, the industrial user may obtain an additional allotment if the computation shows he is so entitled. Applications for retroactive adjustments must be filed with local War Price and Rationing Boards on or before August 15.

Where the applicant did not use sugar in 1940, but had an emergency shutdown during part of 1941, his application for an adjustment should be forwarded by his Local War Price and Rationing Board to the regional OPA office for decision through the regular channels.

## No Change in Canned Fruit Sugar Ration

Price Administrator Leon Henderson announced on July 22 that no change is contemplated at present in the provisions of the sugar rationing regulations that apply to fruit packers. This statement followed requests, chiefly from distributors, that the regulations be modified on the ground that unless canners are permitted to use sugar on much the same basis as last year it will be necessary to have labels reprinted or new ones made in order to conform to the food labeling regulations of the Federal Government.

In his statement Mr. Henderson said that the present regulations require that canners use 90 per cent of the average amount of sugar that they used last year to put up an equal number of units of any particular product this year. "There is," Mr. Henderson stated, "no specific limitation on the total amount of sugar they can get and there is no requirement that the density of the syrup of each grade of fruit be limited to 90 per cent of its last year's sugar content." He further stated that it would be a simple matter for packers to decrease the size of their heavy syrup pack and increase the size of their medium, light syrup and water packs, and that packers have been informed that sugar will be made available to put up as much fruit as they can pack.

## CEILING PRICE ON MAINE SARDINES

(Continued from page 7119)

standard pack, in cottonseed oil, soybean oil or mustard, f. o. b. Portland. This is approximately 11 per cent less than the $5.15 average individual March ceiling figure. Identical or higher ceiling prices are set for seven other container sizes and types of Maine sardines. Similar varying ceiling prices are set for the same types for government purchases, all 40 cents per case cheaper than the civilian figure.

"The maximums now specified are sufficiently above costs to provide canners with an adequate operating margin.

"Two wholly separate varieties of fish are canned in this country for sale under the designation of sardines. These are pilchards on the Pacific Coast and Atlantic sea herring in Maine. The new regulation will cover approximately 95 per cent of the Maine sardine pack.

"The other 5 per cent consists of a great variety of items of a specialty character. It would be a practical impossibility to compile an exhaustive list of all container sizes and types or styles of pack occasionally used. No price schedule could be stated usefully for them, since they do not have the same clear differentials as do items now listed in the schedule. Few of them were sold in March by retailers and wholesalers and none were sold by many packers.

"Accordingly, all persons subject to the regulation who sell such items must obtain a ceiling price therefor upon application to OPA, whether *or not* they sold the same item in March 1942."

Full text of the regulation is as follows:

### TITLE 32—NATIONAL DEFENSE

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION; PART 1364—FRESH, CURED, AND CANNED MEAT AND FISH

#### Maximum Price Regulation 184

SALES BY CANNERS OF MAINE SARDINES

In the judgment of the Price Administrator the prices of Maine sardines have risen to an extent and in a manner inconsistent with the purposes of the Emergency Price Control Act of 1942. The Price Administrator has ascertained and given due consideration to the prices of Maine sardines prevailing between October 1 and October 15, 1941, and has made adjustments for such relevant factors as he has determined and deemed to be of general applicability. So far as practicable, the Price Administrator has advised and consulted with representative members of the industry which will be affected by this Regulation.

In the judgment of the Price Administrator, the maximum prices established by this Regulation are and will be generally fair and equitable and will effectuate the purposes of said Act. A statement of the considerations involved in the issuance of this regulation has been issued simultaneously herewith and has been filed with the Division of the Federal Register.

The maximum prices established herein are not below the average price of such commodities in the year 1941.

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942 and in accordance with Procedural Regulation No. 1,[1] issued by the Office of Price Administration, Maximum Price Regulation No. 184 is hereby issued.

AUTHORITY: §§ 1364.101 to 1364.112, inclusive, issued under Pub. Law 421, 77th Cong.

[1] 7 F.R. 971.

§ 1364.101 *Prohibition against dealing in Maine sardines at prices above the maximum.*

On and after July 23, 1942, regardless of any contract, agreement or other obligation, no canner, or agent or other person acting on behalf, or under the control, of such canner shall sell or deliver any Maine sardines, and no person in the course of trade or business shall buy or receive from a canner any Maine sardines at prices higher than those set forth in Appendix A hereof, incorporated herein as § 1364.-112; and no person shall agree, offer, solicit, or attempt to do any of the foregoing. The provisions of this section shall not be applicable to sales or deliveries of Maine sardines to a purchaser if, prior to July 23, 1942, such Maine sardines have been received by a carrier, other than a carrier owned or controlled by the seller, for shipment to such purchaser.

§ 1364.102 *Conditional agreement.*

No canner of Maine sardines shall enter into an agreement permitting the adjustment of the prices to prices which may be higher than the maximum prices provided by § 1364.101, in the event that this Maximum Price Regulation No. 184 is amended or is determined by a court to be invalid or upon any other contingency: *Provided*, That if a petition for amendment has been duly filed, and such petition requires extensive consideration, the Administrator may grant an exception from the provisions of this section permitting the making of contracts adjustable upon the granting of the petition for amendment.

§ 1364.103 *Sales for export.*

The maximum price at which a person may export Maine sardines shall be determined in accordance with the provisions of the Revised Maximum Export Price Regulation [7] issued by the Office of Price Administration.

§ 1364.104 *Less than maximum prices.*

Lower prices than those set forth in § 1364.101 may be charged, demanded, paid, or offered.

§ 1364.105 *Evasion.*

The price limitations set forth in this Maximum Price Regulation No. 184 shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, delivery, purchase, or receipt of, or relating to Maine sardines, alone or in conjunction with any other commodity, or by way of any commission, service, transportation, or other charge, or discount, premium, or other privilege, or by tying-agreement or other trade understanding, or by changing the selection or style of processing or the canning, wrapping, or packaging of Maine sardines.

§ 1364.106 *Records and reports.*

(a) Every seller subject to this Maximum Price Regulation No. 184 shall preserve for examination by the Office of Price Administration all his existing records relating to the prices which he charged for Maine sardines delivered during March, 1942, and his offering prices for delivery of Maine sardines during such month: *Provided*, That no canner of Maine sardines need preserve the records relating to his March prices.

(b) Every person making a purchase or sale of Maine sardines in the course of trade or business, or otherwise dealing therein, after July 23, 1942, shall keep for inspection by the Office of Price Administration for a period of not less than two years, complete and accurate records of each such purchase or sale, showing the date thereof, the name and address of the buyer and of the seller, the price contracted for or received, the quantity and a description of the grade or brand, style of pack, and container size of Maine sardines.

(c) Such persons shall submit such reports to the Office of Price Administration and keep such other records in addition to or in place of the records required in paragraph (a) of this section as the Office of Price Administration may from time to time require.

§ 1364.107 *Enforcement.*

(a) Persons violating any provision of this Maximum Price Regulation No. 184 are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

(b) Persons who have evidence of any violation of this Maximum Price Regulation No. 184 or any price schedule regulation, or order issued by the Office of Price Administration or of any act or practices which constitute such a violation are urged to communicate with the nearest district, State, field or regional office of the Office of Price Administration or its principal office in Washington, D. C.

§ 1364.108 *Petitions for amendment.*

Persons seeking modification of any provision of this Maximum Price Regulation No. 184 or an adjustment or exception not provided for therein may file petitions for amendment in accordance with the provisions of Procedural Regulation No. 1, issued by the Office of Price Administration.

§ 1364.109 *Applicability of General Maximum Price Regulation.* [8]

The provisions of this Maximum Price Regulation No. 184 supersede the provisions of the General Maximum Price Regulation with respect to sales and deliveries for which maximum prices are established by this Regulation.

§ 1364.110 *Definitions.*

(a) When used in this Maximum Price Regulation No. 184 the term:

(1) "Person" includes an individual corporation, partnership, association, any other organized group of persons, legal successor or representative of any of the foregoing, and includes the United States, any agency thereof, any other government, or any of its political subdivisions, and any agency of any of the foregoing.

(2) "Maine sardine" means canned Atlantic sea herring (Clupea harengus) of the sizes customarily packed and marketed under the trade designation, sardines.

(3) "Sales to government purchasing agencies" means sales to the Federal Surplus Commodities Corporation or to any purchasing agency of the armed forces of the United States.

(4) "Price per case" means, as to ¼'s, the price for a lot of one hundred cans packed for shipment in the usual container and, as to ¾'s, the price for a lot of forty-eight cans packed for shipment in the usual container.

(5) "¼'s" means ¼ Drawn cans (300.5 x 404 x 014.5).

(6) "¾'s" means ¾ Three Piece cans (308 x 412 x 112) or ¾ Drawn cans (304 x 508 x 105).

(b) Unless the context otherwise requires, the definitions set forth in section 302 of the Emergency Price Control Act of 1942 shall apply to other terms used herein.

§ 1364.111 *Effective date.*

This maximum Price Regulation No. 184 (§§ 1364.101 to 1364.112, inclusive) shall become effective July 23, 1942.

[7] 7 F.R. 5039.

[8] 7 F.R. 3135, 3139.

§ 1364.112 *Appendix A: Maximum canners' prices for Maine sardines.*

(a) The prices set forth below are maximum prices per case for Maine sardines, f. o. b. Portland, Maine, with freight adjusted on sales from other locations. The maximum prices are gross prices before the deduction of any discounts.

| Description | | Maximum price per case | |
|---|---|---|---|
| Container size and type | Style of pack | Sales to government purchasing agencies | Sales to others |
| Keyless ¼'s standard pack | Cottonseed oil, soybean oil, mustard | $4.07 | $4.47 |
| Keyless ¼'s standard pack | Tomato sauce | 4.12 | 4.52 |
| ¼'s decorated tops with keys, standard pack | Cottonseed oil, soybean oil, mustard | 4.82 | 5.22 |
| ¼'s decorated tops with keys, standard pack | Tomato sauce | 4.87 | 5.27 |
| ¼'s wrapped or in cartons with keys, standard pack | Cottonseed oil, soybean oil, mustard | 5.07 | 5.47 |
| ¼'s wrapped or in cartons with keys, standard pack | Tomato sauce | 5.12 | 5.52 |
| Keyless ¼'s, standard pack | Mustard | 4.07 | 4.47 |
| Keyless ¼'s, standard pack | Tomato | 4.12 | 4.52 |

(b) For container sizes or types and styles of pack not listed in paragraph (a), the price shall be a price determined by the Office of Price Administration to be in line with the prices ljsted in paragraph (a). Such determination shall be made upon written request, addressed to the Office of Price Administration, Washington, D. C., and accompanied by sworn statement showing costs and usual differentials.

Issued this 23rd day of July, 1942.

LEON HENDERSON,
*Administrator.*

## MEAT PRICE PROGRAM ANNOUNCED

### Adjustment To Be Made Between Lend-lease and Domestic Trade Prices

Secretary of Agriculture Claude R. Wickard announced on July 23 a three-point program designed to help alleviate the existing meat situation. The announcement stated:

1. Beginning with next week's purchases, the maximum prices the Agricultural Marketing Administration will pay for most meat products being purchased for Lend-lease account will be revised downward below the ceilings set for government purchases by the Office of Price Administration.

2. In connection with the same purchases, adjustments in price differentials in different areas will be made to bring prices more nearly in line with the actual cost to packers in different areas.

3. Plans are being formulated whereby packers facing the necessity of suspending operations may continue to operate by entering into a processing agreement with the Department of Agriculture whereby the greater part of their output will be taken for government account.

In connection with the program, Secretary Wickard stated that in all probability Agricultural Marketing Administration purchases of meat for Lend-lease will be reduced somewhat during the next few weeks. Slaughter during this period is normally low.

"The revision in prices," Secretary Wickard said, "will assist in bringing about a better adjustment in prices paid for Lend-lease purchases and prices prevailing in the domestic trade. We have been supplying substantial quantities of meat to the United Nations and must continue to do so. However, shipments for a brief period ahead can be reduced somewhat, thus making a larger quantity available for domestic consumption."

Meat products prepared for Lend-lease shipment differ from those sold in the domestic trade in selection, cure, processing and packaging. The over-all price ceilings established by the OPA for the domestic trade were not applicable therefore to Lend-lease purchases and it was necessary to establish separate ceilings. Now, however, the Department believes it will be possible to operate below these ceilings.

The Secretary pointed out that this action will largely remove any advantages that packers, who are filling government orders for essential Lend-lease requirements, may have had over those whose business is wholly in the domestic market.

Reductions of one dollar per hundred pounds (Chicago basis) were announced for canned luncheon meat, canned chopped ham, canned sliced bacon, cured Wiltshire sides, and all cured or salted pork cuts; and reductions of 25 cents per hundred pounds (Chicago basis) on most other canned meat items and on pork loins.

In adjusting the area differentials, maximum prices were established to be paid at packing points in the Chicago area. This base zone includes all packing centers in Illinois and Indiana, Milwaukee and Madison, Wisconsin, cities in other states which are on the boundaries of Illinois and Indiana, and cities in some other areas. Prices to be paid at locations in the Northeast and Middle Atlantic states and in the Pacific Coast states, where the differential in the past has been approximately 50 cents a hundred pounds higher than in this base zone, will now be 75 cents per hundred above the base zone price. Packers in intermediate zones will receive prices graduated according to distances from the base zone.

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### Symbol to Use for M-86-a Products

In ordering materials, such as solid-fiber weatherproof shipping cases and steel strapping, for use on products reserved for the Government under Order M-86-a, canners should use the purchaser's symbol "USA-14.00", and not the dual symbol described in the INFORMATION LETTER for July 11 as appropriate for cans.

Use of the dual symbol is permissible on orders for materials the "end use" of which cannot be determined when the orders are placed. With respect to solid fiber cases and steel strapping, which are required for products to be reserved for the Government under Order M-86-a, the "end use" is known; consequently it is necessary to use only the symbol "USA 14.00."

## Meyer Now Assistant Chief of Food Supply

E. A. Meyer, who has been chief of the Canned Foods Section of the Food Supply Branch of the War Production Board, on July 22 was made Assistant Chief of the Branch. Mr. Meyer's new duties will place him in charge of the following sections: Canned Foods, Grains, Fresh Meats, Sugar, Dehydration, and Fisheries, the latter two sections being newly created. R. Harry Amenta, who has been consultant on dehydration, is now in charge of the Dehydration Section and the Fisheries Section is under L. T. Hopkinson, who has been consultant on fisheries products.

John Kerlett, formerly in charge of the Imported Foods Section, also has been made an Assistant Chief, and will have jurisdiction over the following sections: Imported Foods, Confectionery, Baking, Distribution, Restaurants, and Edible Oils.

Succeeding Mr. Meyer as Chief of the Canned Foods Section will be Merritt Greene, who was formerly a consultant to the Canned Foods Section. Mr. Kerlett's former post as Chief of the Imported Foods Section has been taken by Barclay Scull, formerly Assistant Chief.

## Army Canned Food Procurement Policy

As stated in the INFORMATION LETTER for July 4, the War Department desires that the canned foods it purchases be packed in cans made of hot-dipped plate until such time as complete information is available on the suitability of electrolytic plate for cans that must undergo the extremely adverse conditions to which food supplies for the armed forces are subjected.

Canned foods used by the armed forces must be prepared to meet handling and storage conditions that are much more severe than those ordinarily encountered in the civilian trade. These armed forces are now distributed over widely separated regions with climatic conditions ranging from arctic cold to tropical heat, and from arid regions to those with high humidity and excessive rainfall. Moreover, the number and location of these forces are subject to constant change, making it impossible to determine in advance just what supplies will be required for use at home and abroad. The foods must follow the armed forces wherever they go.

Canners of the products which are to be reserved for the Government should have this policy of the War Department in mind in packing goods which they are putting aside for disposition to the Government. Among these products for which the use of electrolytic plate is permitted for cans are asparagus, green and wax beans, lima beans, green soybeans, beets, carrots, pumpkin and squash, spinach and other green leafy vegetables, peas, and carrots.

## Army Invites Jam and Marmalade Bids

The Jersey City Quartermaster has issued invitations for bids on the following quantities and varieties of fruit jams in No. 10 cans: Apricot, 25,000 dozen; blackberry, 25,000 dozen; peach, 25,000 dozen; plum, 25,000 dozen; cherry, 15,000 dozen; grape, 15,000 dozen and orange marmalade, 15,000 dozen. Space is left in the invitation form for bidder to write in any flavor jam not mentioned. Bids on these products are to be opened July 31.

## FURTHER RESTRICTIONS ON BLACKPLATE

### Use for Products Other Than Those Permitted by Order M-81 Severely Curtailed

Use of blackplate for cans is further restricted by Conservation Order M-136, issued by the War Production Board on July 22.

The order establishes two lists of products for the packing of which containers made in whole or in part of blackplate may be used. The term "can" as used in the order includes closures, crowns, or caps for crowns, but does not include any closure, crown, or cap to be used on or as a part of a glass container.

The first list (Table A) consists chiefly of products necessary for civilian and military uses, and blackplate cans for such products are limited to 100 per cent of the combined area of tinplate, terneplate and blackplate used in the calendar year 1940. No food products sterilized by heat in the container are included in Table A.

The second list (Table B) includes the products permitted to be packed under the terms of Order M-81. These products are not listed separately but are defined as follows:

"Any product permitted to be packed by Order M-81, as amended from time to time, in the size can specified for such product, but only to the extent of the quota specified by Order M-81 for such product, after making deduction for tinplate and terneplate used, as provided by subparagraph (c) (2) of this order."

Subparagraph (c) (2), referred to above, states:

"For packing a product listed in Table A or Table B, a canner may use during the calendar year 1942, cans requiring for their manufacture an area of blackplate, not in excess of the combined area of tinplate, terneplate, and blackplate which was required for the manufacture of the cans made of such materials and used by him during the calendar year 1940, for packing that product. A canner shall deduct from his blackplate quota for packing a particular product, the area of tinplate and terneplate which was required for the manufacture of the cans made of such materials and used by him during the calendar year 1942, for packing that product. Cans made in whole or in part of chemically treated blackplate shall be used only for packing the products listed in Table B."

The order does not apply to cans necessary for packing products for the Army, Navy, Lend-lease, etc., nor to cans required for products to be reserved under Order M-86. As to these the order prescribes:

"The restrictions imposed by this order shall not apply in the following cases only: (i) when cans are to be delivered pursuant to a letter of intent, purchase order, or contract, supported by a preference rating of higher than A-2, to any foreign country pursuant to the Act of March 11, 1941, entitled 'An Act to Promote the Defense of the United States' (Lend-lease Act), to the Army, Navy, Maritime Commission, or War Shipping Administration of the United States or to such other governmental agency as the Director General for Operations may designate; and (ii) when cans are to be set aside pursuant to Order M-86 and orders supplemental thereto, whether or not purchase orders or contracts for such canned goods have been placed by any governmental agency."

Among products which are eliminated from blackplate by the terms of Order M-136 are all paints which can be shipped

in dry form. Paints which are still permitted to be packed in blackplate may not be packed in cans smaller than one gallon sizes after September 30, 1942. Containers Branch officials said that glass makes a satisfactory paint container in most of the smaller sizes.

Other products which may not be packed in blackplate cans include health supplies, alcohol, fly spray, lighter fluids, acetones, turpentine, anti-freeze, dry cleaners, glycerine, polish, waxes, dyes, glues, and liquid soap. Conservation Order M-126 had previously banned the use of steel for coffee, tobacco, cosmetics, tennis balls and several other containers.

The order, however, contains no restrictions on the use of inventories of processed blackplate or on the use of cans completely manufactured or in the process of manufacture on the date of issuance of the order.

## GLASS PACKAGE SHIPPING CONTAINERS

### War Department Issues New Specifications For Domestic and Export Shipment

The Office of the Quartermaster General has issued Circular Letter No. 270, presenting "Packaging Requirements for Glass Containers; Domestic and Export Shipment". This supersedes those contained in Circular Letter No. 171, of April 23, which was published in the INFORMATION LETTER for April 25, as well as all previous instructions. The new regulations require that all future purchases of products in glass containers conform to the following packaging specifications:

FOR DOMESTIC SHIPMENT

All boxes must conform with Federal Specification E-LLL-B-631a, for Boxes, Fiber, Corrugated, and in addition, must meet the following minimum specifications:

*Under 8 fluid ounces, packed 48 to the box, arranged in 2 tiers:*

275-lb. test, 1-piece center special slotted construction (all flaps meeting) double wall corrugated fiber box, corrugations to be two A flutes or one A and one B flute.

200-lb. test, single wall A flute full height partitions.

200-lb. test, single wall A flute top, bottom and dividing pads, size to be the length of box less ¼ inch by width of box less ¼ inch.

200-lb test, single wall A flute liner.

*8 fluid ounces up to and including 17 fluid ounces packed 24 to the box:*

*Over 17 fluid ounces up to and including 40 fluid ounces packed 12 to the box:*

275-lb. test, 1-piece center special slotted construction (all flaps meeting) double wall corrugated fiber box, corrugations to be two A flutes or one A and one B flute.

200-lb. test, double wall full height partitions, corrugations to be two A flutes or one A and one B flute.

200-lb. test, single wall A flute top and bottom pads, size to be length of box less ¼ inch by width of box less ¼ inch.

200-lb. test, double wall liner, corrugations to be two A flutes or one A and one B flute.

*Over 40 fluid ounces up to and including 70 fluid ounces packed 6 to the box:*

275-lb. test, 1-piece center special slotted (all flaps meeting) double wall corrugated fiber box, corrugations to be two A flutes or one A and one B flute.

6 bottles or jars individually packed in 275-lb. test, double wall corrugated wrappers full height and with corrugations running horizontally, corrugations to be two A flutes or one A and one B flute.

200-lb. test, single wall A flute top and bottom pads, size to be length of box less ¼ inch by width of box less ¼ inch.

*Above 70 fluid ounces up to and including but not exceeding 1 gallon packed 4 to the box:*

275-lb. test, 1-piece center special slotted (all flaps meeting) double wall corrugated fiber box, corrugations to be two A flutes or one A and one B flute.

4 bottles or jars individually packed in 275-lb. test, double wall corrugated wrappers full height and with corrugations running horizontally, corrugations to be two A flutes or one A and one B flute.

200-lb. test, single wall A flute top and bottom pads, size to be length of box less ¼ inch by width of box less ¼ inch.

FOR OVERSEAS SHIPMENT

Domestic cases shall be inserted for overseas shipment in either of the following shipping containers, gross weight not to exceed 55 lbs. except where weight of individual case over-packed, exceeds this limit:

*a.* Wirebound wood box as specified in QMC Tentative Specification OQMG No. 12-A, April 27, 1942.

*b.* Nailed wooden box as specified in QMC Tentative Specification, OQMG No. 12-A, April 27, 1942.

### Stocks and Shipments of Tomato Juice

Stocks of canned tomato juice in canners' hands on July 1, 1942, amounted to 1,422,348 cases as compared with 1,174,945 cases on the corresponding date in 1941. Shipments during June, 1942, were 896,085 cases as compared with 746,340 cases during June of last year. From August 1, 1941, to July 1, 1942, shipments totaled 18,188,819 cases, or over 5¾ million cases more than were shipped during the corresponding period of the previous season.

The following table presents the stocks of canned tomato juice in canners' hands on July 1, 1942, by can sizes. These figures are based by the Association's Division of Statistics on reports from 90 per cent of the canners who packed tomato juice in 1941, together with estimates for the remainder.

| Can name | Cans per case | July 1 stocks Cases |
|---|---|---|
| 8Z Tall (including 8Z Short) | 48 | 19,... |
| No. 1 Picnic | 48 | 18,... |
| No. 211 Cylinder | 48 | 16,... |
| No. 300 (including all 300 cans from 407 to 412) | 48 | 146,... |
| No. 1 Tall | 48 | 49,... |
| No. 303 Cylinder | 24 | 194,... |
| No. 2 | 24 | 98,... |
| No. 2 Cylinder (including all 307 cans from 505 to 513) | 24 | 136,... |
| No. 3 Cylinder (including all 404 cans from 615 to 708) | 12 | 204,... |
| No. 10 | 6 | 208,... |
| Miscellaneous Tin | .. | 54,... |
| Glass | .. | 149,... |
| Total | .. | 1,422,... |

## RECENT DEVELOPMENTS IN DEHYDRATION

### Government Agencies Sponsoring Expansion Program and Conducting Conversion Survey

Since May 26, 1942, a program to encourage expansion of vegetable dehydration facilities to meet increased needs for military purposes, Lend-lease, and civilian consumption has been carried on by a joint committee representing the War Production Board, Agricultural Marketing Administration, and the Army Quartermaster General's Office. A survey is still in progress to determine both the possibility of expansion of existing dehydration plants and conversion of plants engaged in other forms of processing, particularly canning. Many canners have received and returned questionnaires designed to show the practicability of converting at least part of their facilities to dehydration. These questionnaires are reviewed by the joint committee according to the following criteria:

1. Location of facilities with respect to war strategy.
2. Suitability of existing plants for expansion or conversion to vegetable dehydration work.
3. Availability of management and labor experienced in dehydration or other food processing work.
4. Possibility of converting existing food processing facilities to vegetable dehydration work with the least possible use of critical materials.
5. Availability of ample supplies of fresh vegetables.
6. Availability of labor for production and harvesting of vegetables.
7. Ability of plant operators to arrange financing of the expansion or conversion of existing facilities to vegetable dehydration work.
8. Geographical and climatic conditions affecting the suitability of vegetables for dehydration.

Thus far the committee has reviewed more than 100 returns and has approved about one-fourth of them for granting of the necessary equipment.

The problem of obtaining necessary dehydration equipment is expected to be greatly simplified by a "metals bank" which now has been established to enable production of presently estimated dehydrated foods requirements. This means that approval of an applicant's plans will automatically insure granting of the required priority. A simplified procedure has been worked out for handling priority applications which will be made on a PD-200 form and will receive prompt attention. Interested canners who have not been in touch with this program may obtain questionnaires either from R. Harry Amenta, Chief of the Dehydration Section, Food Supply Branch, WPB, or from A. E. Mercker, Fruit and Vegetable Branch, Agricultural Marketing Administration, U. S. Department of Agriculture, both in Washington, D. C.

NEW ARMY PACKAGE.—A new type of package for dehydrated white potatoes, sweet potatoes, beets, and yellow turnips has been designated as suitable by the Quartermaster General's Office. It will take the place of metal containers which may however be used until supplies of the new package become available or until supplies of metal cans now in the hands of contractors are exhausted.

The new package consists of a plastic-laminated glassine sealed inner bag, this bag placed in turn in a sealed lead-foil laminated bag. These interliner bags are placed in sealed cartons which are then packed in standard export containers of the required type.

DEHYDRATION TRAINING SCHOOLS.—Plans are being completed for two instruction courses in dehydration to be given in the near future. One course is expected to be given at the plant of the Beech-Nut Packing Company in Rochester, N. Y., the other at the Albany, California, Regional Laboratory of the U. S. Department of Agriculture. Each course will last two weeks and will be under the direction of the Bureau of Agricultural Chemistry and Engineering, USDA. Details regarding dates of the courses and persons eligible to attend have not yet been announced, but the courses are designed primarily to familiarize canning companies and other organizations approved by the joint committee with the principles of dehydration.

REVISED SPECIFICATIONS.—Revised Army tentative specifications for dehydrated white potatoes, sweet potatoes, carrots, beets, cabbage, and onions were issued on July 17. These supersede the specifications dated April 17, 1942, and may be obtained from the Quartermaster General's Office, Washington, D. C. New specifications for dehydrated yellow turnips are still in preparation.

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## LEADER OF OZARK CANNING DIES

### J. P. Harris, Organizer of First Canning Group in Mid-West, Passes at 70

James Padon Harris, 70, Secretary of the Ozark Canners Association for 27 years, died at his home in Prairie Grove, Ark., on July 17. He had been in poor health since early this year, but his condition did not become serious until about two weeks before his death. Apparently he suffered a slight stroke on July 1 and continued to grow weaker each day thereafter.

Mr. Harris was born in Beardstown, Ill., April 3, 1862, where he attended the public schools and was graduated from high school with highest honors, as well as from Brown's Business College in Jacksonville. Following his school career he entered the banking business as assistant cashier of the Beardstown First National Bank, of which his father was manager. After several years of service in this capacity he resigned from the bank to form and develop the Lee-Warren Flour Mills, Salina, Kans., to which enterprise he devoted several years.

It was in 1908 that he became interested in canning and moved to Prairie Grove to establish the Prairie Grove Preserving Company. During that same year he helped organize the Missouri Valley Canners Association—the first canners' organization in the Middle West—which later became the Ozark Association and which he served as secretary-treasurer from 1915 until his death.

Mr. Harris also served as mayor of Prairie Grove for several years and as member of the board of education there for 19 years. He was a 32nd degree Mason, holding several offices in that organization, and also was a member of the Knights Templar. He was an active church worker, having been an elder of the First Christian Church for 20 years and secretary of the Sunday School. He was chairman of the Church Board when he died. Mr. Harris is survived by his widow, two daughters and two sisters.

## GREEN PEAS FOR PROCESSING

### Department of Agriculture Report Forecasts Large Increase Over 1941 Production

A total of 463,890 tons of green peas is in prospect for canning or freezing in 1942, according to the U. S. Department of Agriculture. This indicated production, based on reports received from processors containing information on the July 15 condition of the crop and probable yield per acre, compares with 345,270 tons for 1941 and an average production for the preceding 10-year (1931-40) period of 209,740 tons. The estimates for Oregon and Washington do not make allowance for the part of the current season's planted acreage that may be harvested as dry peas.

The 1942 yield per acre indicated on July 15 is 1,921 pounds per acre. This compares with 1,916 pounds obtained in 1941 and an average for the preceding 10-year (1931-40) period of 1,502 pounds per acre. The acreage yield now in prospect for 1942 has not been exceeded since 1927.

The following table shows the acreage harvested in 1941 and planted in 1942, the production in 1941 and indicated production in 1942, by States:

| State | Acreage Harvested 1941 | Acreage Planted 1942 | Production 1941 | Production Indicated 1942 |
|---|---|---|---|---|
| | *Acres* | *Acres* | *Tons* | *Tons* |
| Maine | 4,470 | 5,300 | 3,890 | 4,900 |
| New York | 41,200 | 46,000 | 29,050 | 41,400 |
| Pennsylvania | 10,800 | 14,800 | 11,880 | 12,580 |
| Ohio | 5,800 | 8,300 | 3,190 | 6,850 |
| Indiana | 10,400 | 14,500 | 6,190 | 11,600 |
| Illinois | 17,100 | 21,500 | 16,160 | 18,280 |
| Michigan | 11,200 | 13,200 | 8,120 | 10,560 |
| Wisconsin | 127,800 | 160,000 | 115,020 | 124,000 |
| Minnesota | 27,400 | 39,900 | 27,670 | 35,910 |
| Iowa | 3,300 | 3,900 | 2,970 | 3,900 |
| Delaware | 4,800 | 3,800 | 2,160 | 1,710 |
| Maryland | 12,500 | 16,000 | 9,440 | 10,400 |
| Virginia | 3,400 | 4,100 | 1,600 | 2,260 |
| Colorado | 4,170 | 5,300 | 3,900 | 5,170 |
| Utah | 13,500 | 16,400 | 19,170 | 23,780 |
| Washington | 27,700 | 47,000 | 37,120 | 61,100 |
| Oregon | 20,400 | 41,800 | 35,090 | 71,060 |
| California | 1,850 | 3,900 | 770 | 3,430 |
| Other States | 12,650 | 17,150 | 11,880 | 13,000 |
| Total | 360,440 | 482,850 | 345,270 | 463,890 |

## Pacific Canned Sardine and Mackerel Committee

The Division of Industry Advisory Committees of the War Production Board has announced appointment of the following members to the newly-formulated Pacific Canned Sardine and Mackerel Industry Advisory Committee, of which Lawrence T. Hopkinson, consultant on fishery products in WPB's Food Supply Branch, is government presiding officer:

Roy Harper, Van Camp Sea Food Co., Terminal Island, Calif.; L. B. Irish, Coast Fishing Co., Wilmington, Calif.; Wade Ambrose, Westgate Sea Products Co., San Diego, Calif.; Max J. Gorby, California Marine Curing & Packing Co., Terminal Island, Calif.; H. A. Irving, Sea Pride Packing Corp., Ltd., San Francisco, Calif.; M. J. Bogdanovich, French Sardine Co., Terminal Island, Calif.; R. E. Sanborn, California Packing Corp., San Francisco, Calif.; J. G. Burnette, Custom House Packing Corp., Monterey, Calif.; Paul Wetmore, Benicia Fisheries, Benicia, Calif.; and K. Hovden, Hovden Food Products Co., Monterey, Calif.

## Amendment of Storage-in-Transit Arrangements

Transcontinental railroads have agreed to amend their storage-in-transit arrangements on eastbound canned foods to permit shipments originating in both North Pacific areas and South Pacific areas to be consolidated in movement from the storage-in-transit points. The agreement followed a joint request by the War Department, Department of Agriculture, and ODT.

Up to now, canned foods originating in the southern and northern parts of the Pacific Coast region have moved from storage points to destinations in the East in separate cars.

These storage-in-transit arrangements are necessary because much of the space formerly used for canned goods storage on the west coast is now needed for military purposes. At the same time, it is the express purpose of ODT to encourage the movement of the canned foods pack from Pacific Coast areas to interior points close to ultimate consumption before late fall. Otherwise refrigerator cars would have to be used to protect the shipments against freezing.

It is expected that private purchasers will follow the lead of the War Department and the Department of Agriculture in arranging necessary storage facilities for this season's pack at distributing centers close to consumption areas so that the use of refrigerator cars will be held to a minimum.

## SNAP BEANS FOR PROCESSING

### Latest Government Estimate Indicates Increased Production Over Last Year

Reports received by the U. S. Department of Agriculture from canners and freezers of snap beans, containing information on the condition of the crop on July 15 and probable yield per acre, indicate a 1942 production of 172,900 tons. This compares with the 1941 production of 132,020 tons and the 10-year average (1931-40) production of 84,200 tons.

The 1942 yield of snap beans on July 15 is 1.66 tons per acre. This compares with 1.64 tons obtained in 1941 and an average yield for the preceding 10-year (1931-40) period of 1.59 tons per acre. In all important States except Pennsylvania and Washington, yields per acre were indicated on July 15 to be equal to or better than those in prospect two weeks earlier.

The following table shows the acreage harvested in 1941 and planted in 1942, the production in 1941, and indicated production in 1942, by States:

| State | Acreage Harvested 1941 | Acreage Planted 1942 | Production 1941 | Production Indicated 1942 |
|---|---|---|---|---|
| | *Acres* | *Acres* | *Tons* | *Tons* |
| Maine | 1,680 | 2,400 | 4,400 | 6,200 |
| New York | 8,950 | 11,800 | 15,200 | 21,200 |
| Pennsylvania | 3,000 | 4,200 | 3,700 | 5,900 |
| Indiana | 1,800 | 1,800 | 900 | 1,800 |
| Michigan | 5,700 | 7,600 | 6,300 | 11,400 |
| Wisconsin | 9,200 | 11,500 | 14,700 | 18,000 |
| Delaware | 1,520 | 1,320 | 1,700 | 1,300 |
| Maryland | 13,000 | 13,900 | 15,600 | 19,500 |
| South Carolina | 650 | 900 | 600 | 1,000 |
| Tennessee | 2,500 | 3,000 | 2,000 | 3,600 |
| Mississippi | 1,680 | 1,970 | 1,300 | 2,400 |
| Arkansas | 3,500 | 5,000 | 4,200 | 5,200 |
| Louisiana | 3,000 | 4,000 | 2,100 | 4,000 |
| Colorado | 1,050 | 1,600 | 2,800 | 4,000 |
| Utah | 1,000 | 1,200 | 3,600 | 4,800 |
| Washington | 1,300 | 1,800 | 5,800 | 7,600 |
| Oregon | 3,800 | 4,600 | 22,000 | 23,000 |
| California | 640 | 600 | 2,020 | 2,400 |
| Other States | 16,560 | 24,850 | 22,500 | 32,600 |
| Total | 80,580 | 104,130 | 132,020 | 172,900 |

## Stocks and Shipments of Canned Beets

Total shipments of canned beets for the season just closed (July 1, 1941, to July 1, 1942) amounted to 5,699,053 cases compared with a total of 3,304,064 cases shipped during the previous season according to figures compiled by the Association's Division of Statistics.

Total stock, sold and unsold, on July 1, 1942, amounted to 907,582 cases compared with 178,005 cases on July 1 of last year. Shipments, April through June, 1942, were 1,004,158 cases compared with 586,343 cases during the same period last year. The report is based on figures received from 95 per cent of the canners who packed beets in 1941, together with estimates for the 5 per cent not reporting.

The following table presents detail of beet stocks on July 1, 1942, by style of pack, can sizes, and regions. Details of miscellaneous size containers are not given, but totaled 129,183 cases—79,752 in Eastern States, 12,148 in Mid-Western States, and 37,283 in Western States.

| Style of pack | 24/2 | 48/8Z | 48/1 | 24/2½ | 6/10 | Misc. | Total |
|---|---|---|---|---|---|---|---|
| EAST: | *Cases* | *Cases* | *Cases* | *Cases* | *Cases* | *Cases* | *Cases* |
| Whole | 58,922 | ..... | ..... | 15,063 | 31,908 | 2,713 | 108,606 |
| Cut | 22,524 | ..... | ..... | 35,375 | 69,099 | 7,088 | 134,086 |
| Sliced | 64,582 | ..... | 271 | 10,882 | 42,425 | 58,118 | 176,278 |
| Diced | 12,923 | 1,707 | 1,758 | ..... | 21,687 | 2,226 | 40,301 |
| Shoestring | 20,630 | ..... | ..... | ..... | 5,216 | 9,607 | 35,462 |
| Total | 179,500 | 1,707 | 2,029 | 61,320 | 170,335 | 79,752 | 494,733 |
| MID-WEST: | | | | | | | |
| Whole | 28,325 | ..... | ..... | 9,985 | 11,671 | 4,708 | 54,689 |
| Cut | 16,921 | ..... | 75 | 16,127 | 5,847 | 600 | 39,570 |
| Sliced | 15,116 | ..... | ..... | 9,763 | 9,404 | 5,842 | 40,125 |
| Diced | 12,181 | 99 | 54 | 145 | 3,454 | 998 | 16,931 |
| Shoestring | 1,600 | ..... | 68 | ..... | 345 | ..... | 2,013 |
| Total | 74,143 | 99 | 197 | 36,020 | 30,721 | 12,148 | 153,328 |
| WEST: | | | | | | | |
| Whole | 53,070 | ..... | 16 | 440 | 3,514 | 1,422 | 58,462 |
| Cut | 360 | ..... | ..... | 4,774 | 1,534 | 350 | 7,018 |
| Sliced | 67,481 | ..... | 1,987 | 2,106 | 29,388 | 30,557 | 131,519 |
| Diced | 22,064 | 182 | 4 | 131 | 6,508 | 1,844 | 30,733 |
| Shoestring | 17,758 | 442 | ..... | 235 | 10,244 | 3,110 | 31,789 |
| Total | 160,733 | 624 | 2,007 | 7,686 | 51,188 | 37,283 | 259,521 |
| Total U. S. | 414,466 | 2,430 | 4,233 | 105,026 | 252,244 | 129,183 | 907,582 |

## Association Services for Packers in Glass

Restrictions on the use of metal containers imposed by Orders M-81 and M-86-a, and subsequent amendments to these orders, have resulted in the use of glass containers by some canners for all or part of their output. The Association desires to point out that foods packed in hermetically sealed containers and sterilized by heat are classed as canned foods under the Association's by-laws, whether packed in glass or metal containers. Therefore, members are entitled to the benefits of the consumer complaint service and other services on their glass-packed foods, which should be included among the products on which members pay dues.

The by-law of the Association covering qualifications for active membership states: "Any person, firm, partnership, association or corporation, engaged in the manufacture or preparation of foods packed primarily for human consumption in hermetically sealed containers and sterilized by the use of heat, who maintains a sanitary canning plant, conducts the same in a sanitary manner, and uses only wholesome raw materials, is qualified to become an active member of the Association."

## TRADE PACT SIGNED WITH URUGUAY

### Mackerel, Salmon, Asparagus Duties Reduced; Concession Granted on Canned Beef Imports

A reciprocal trade agreement between the governments of the United States and Uruguay was signed at Montevideo, July 21, according to an announcement by the Department of State.

Concessions obtained by the United States cover a large number of agricultural and industrial products including foodstuffs, fruits and nuts, cigarettes and tobacco, machinery and appliances, forest products, and automobiles and their parts and accessories.

Principal concession granted by the United States cover imports from Uruguay of canned corned beef, flaxseed, casein, bovine hides, and skins.

These concessions include, besides tariff reductions on specified products, the binding of certain tariff rates against increases and bindings of specified commodities free of duty. The general provisions of the treaty contain assurances against discriminatory tariff, quota, or exchange treatment of imports of either country to the other.

The agreement will come into force 30 days following the exchange of formal ratification, which, in the case of the United States, consists merely of a proclamation by the President.

The precise concessions granted by Uruguay on the more important foodstuffs imported from the United States are presented in the following table, which shows the former rates of duty along with the new rates established by the present agreement. Duties, other than ad valorem percentages, shown in the table, include base duties and surtaxes calculated on official customs valuations, and are expressed in terms of Uruguayan paper pesos. The current "free" rate of exchange of the peso is about 53 cents.

| Commodity | Rates of duty | |
|---|---|---|
| | Former | Present |
| | *Pesos* | *Pesos* |
| Prunes, dried, per 100 gross kilos | 11.0643 | 7.80 |
| Sardines in oil or other media, including tomato sauce, packed in hermetically sealed containers, per 100 legal kilos | 40.50 | 40.50 |
| Canned mackerel and canned salmon per 100 legal kilos | 57.4402 | 40.50 |
| Canned asparagus, per 100 legal kilos | 84.117 | 50.30 |
| Concentrated grape juice, per 100 kilos | *141.85 | 142.00 |
| Unsweetened fruit and vegetable juices, per 100 kilos | 60.00 | 32.10 |
| Sweetened fruit juices, liquid, and syrups for beverages without alcohol, per 100 kilos | 60.00 | 32.10 |

* Plus 29.75 per cent ad valorem.

Principal foodstuffs concessions granted by the United States on imports from Uruguay, are shown in the following table, which presents the percentage difference between the former and new duties:

| Commodity | Ad valorem equivalent on basis of imports in 1939 | |
|---|---|---|
| | Former | Present |
| | *Per cent* | *Per cent* |
| Canned beef, including corned beef | *60 | *30 |
| Beef and veal, pickled or cured | *84 | *42 |
| Canned meats, not elsewhere specified, and prepared or preserved meats, not specially provided for (including liver pastes) | 25 | 20 |

* Exclusive of imports into the Virgin Islands of the United States.

## TEXT OF NEW SOUP PRICING FORMULA

### Other Requirements of Order No. 181 Covering Labeling, Records, and Reports

The new pricing formula by which soup canners, wholesalers and retailers must calculate their ceiling levels on "new formula" condensed soups, became effective July 18. The Statement of Considerations, which presented an outline of the new pricing formula, was published in last week's INFORMATION LETTER and the important portions of the text of the order itself (Maximum Price Regulation No. 181) are given below. The press release from the Office of Price Administration, which accompanied the order, stated that such action was necessitated primarily by the War Production Board's Tin Conservation Order M-81 and its subsequent amendments. These required additional solids and larger minimum-sized cans after June 30, 1942, "thereby causing a considerable increase over March, 1942, cost levels in the per can cost of producing canned soup. OPA's new pricing formula recognizes these increased soup-canner costs, and provides material relief to the industry. * * * In addition, the regulation draws a sharp and consumer-discernible line of demarcation between canned soup packed prior to June 30, 1942—when the change in formula became mandatory—and the 'new formula' varieties packed later."

The sections of Regulation No. 181 which prescribe for canners, wholesalers and retailers their methods of computing maximum prices follow. In § 1341.53 is incorporated, in italics, an amendment issued July 24, effective July 24, of the formula for wholesaler's and retailer's maximum prices.

§ 1341.52 *Canner's maximum prices for new-formula condensed soups packed under WPB Conservation Order M-81.*

(a) Except as hereinafter provided in paragraph (c) of this section, the canner in computing his maximum price per dozen for each variety and can size of canned condensed soup which it is permissible to pack after June 30, 1942, under Conservation Order M-81, and amendments thereto,

(1) Shall divide the weighted average price per dozen charged during the calendar year 1941 for the related variety of canned soup then sold, in the can size which had the largest retail sale for that variety during the calendar year 1941, by the weighted average direct cost per dozen of such soup during the calendar year 1941; and

(2) Shall multiply the figure so obtained by the direct cost per dozen of the variety and can size of canned condensed soup being priced hereunder.

(b) In determining the canner's maximum price.

(1) The "weighted average price" for any canned soup packed during the calendar year 1941 shall be the total gross sales dollars charged for each variety and can size divided by the number of dozens sold of such variety and can size during the calendar year 1941.

(2) The "weighted average direct cost per dozen" for any canned soup packed during the calendar year 1941 shall be the following costs in dollars and cents per dozen which entered into the production of canned soups up to and including the putting of the finished product in a warehouse on behalf of the canner: Raw material, can, carton, label, direct labor, and factory expenses, including maintenance, rent, heat, light, power, water, refrigeration, and indirect labor. The weighted average direct cost per dozen for each variety shall be the total direct cost divided by the number of dozens of such variety of canned soups produced during the calendar year 1941.

(3) The "direct cost per dozen" of any canned condensed soup being priced hereunder shall be computed in dollars and cents per dozen for the following factors which enter into the production of canned condensed soups up to and including the putting of the finishing product in a warehouse on behalf of the canner: Raw material, can, carton, label, direct labor, and factory expenses, including maintenance, rent, heat, light, power, water, refrigeration, and indirect labor, provided that, with the exception of raw material, such direct costs shall be determined on the basis of material prices, labor rates, and overhead rates in effect on March 30, 1942. If the canner is actually producing or has actually produced any canned condensed soup being priced hereunder, he shall to that extent determine the direct cost per dozen of such canned condensed soups in dollars and cents based upon his actual production experience. If the canner is not actually producing or has not actually produced any canned condensed soup being priced hereunder, he shall estimate to the best of his ability the direct cost per dozen in accordance with his customary system of determining direct cost. The maximum price based upon such estimated direct cost shall be subject to adjustment by the Office of Price Administration at any time.

(c) If since January 1, 1941, a canner at any time sold and delivered all or part of his canned soups at a uniform price, he may sell and deliver all or part of his canned condensed soups at one or more uniform maximum prices, as hereinafter determined. The maximum price per dozen cans for the canned condensed soups, governed by this Maximum Price Regulation No. 181, which are to be sold on any uniform price line basis shall be:

(1) The average of the respective maximum prices for the varieties and can sizes of the canned condensed soups which are to be included in the uniform price line, as individually determined under paragraph (b) of this section; weighted according to

(2) The number of dozens of the related varieties of canned soups which were sold during the one-year period immediately preceding the date of computation hereunder, without regard to can size, except that in case of any price revision made under paragraph (d) of this section the number of dozens of the varieties and can sizes of canned condensed soups included in the price line which have been sold during such period shall also be included.

(d) If during any three-months period subsequent to October 1, 1942, the total sales volume, since the last price computation hereunder, of any variety sold as part of a price line has varied more than 25 per cent in proportion to the total sales volume, during the same period, of all soups included in the price line, the canner must recompute his uniform maximum price at the end of such three-months period in accordance with the provisions of paragraph (c) of this section. But in no event shall the maximum price thus computed exceed the maximum price for such price line as first computed hereunder.

(e) No canner shall change his customary allowances, discounts, or other price differentials unless such charge results in the same or a lower price.

§ 1341.53 *Wholesaler's and Retailer's maximum prices for new-formula condensed soups packed under WPB Conservation Order M-81.*

(a) Every wholesaler and retailer, in computing the maximum price per dozen or per can for each brand, variety, and can size of canned condensed soup which it is permissible to

pack after June 30, 1942, under Conservation Order M-81, and amendments thereto,

(1) Shall divide his maximum price per dozen or per can, as determined under the General Maximum Price Regulation, for the same brand, related variety, and that can size which had the largest sale during the calendar year 1941, by his replacement cost per dozen or per can of that soup, *or at his election, by the actual cost per dozen or per can of those units of such soup for which the price charged during March, 1942, determined his maximum price under the General Maximum Regulation*; and

(2) Shall multiply the figure so obtained by the maximum price per dozen or per can which some person, selected by him, from whom he was regularly purchasing such related canned soup during the first three months of the year 1942, is entitled to charge him under this Maximum Price Regulation No. 181 for the canned condensed soup being priced hereunder.

(b) No canned condensed soup shall be sold by any wholesaler or retailer until he has computed hereunder his maximum price for such soup, and when computed such maximum price shall be his maximum price from that time forward.

(c) No wholesaler or retailer shall change his customary allowances, discounts, or other price differentials unless such change results in the same or a lower price.

§ 1341.54 *Inability to fix maximum prices under preceding sections.*

If for any person the maximum price cannot be determined under §§ 1341.52 and 1341.53 of this Maximum Price Regulation No. 181, the maximum price shall be a price determined by such person after specific authorization from the Office of Price Administration. A person who seeks such authorization shall file with the Office of Price Administration, Washington, D. C., an application setting forth (a) a description in detail of the brand, variety and can size of the canned condensed soup for which a maximum price is sought; and (b) a statement of the facts which differentiate such variety and can size of canned condensed soup from the most similar variety and can size for which he has determined a maximum price, stating such most similar variety and can size, and the maximum price determined therefor. When such authorization is given, it will be accompanied by instructions as to the method for determining the maximum price. Within ten days after such price has been determined a canner shall report the price to the Office of Price Administration, Washington, D. C., under oath or affirmation. The price so reported shall be subject to adjustment at any time by the Office of Price Administration.

Section 1341.55 of the regulation requires canners and wholesalers (but not retailers), before selling the soups covered by the regulation to a buyer to whom they were regularly selling any related variety of canned soup from January through March, 1942, to disclose in writing all maximum prices they are entitled to charge such a purchaser under Regulation 181. The section also requires them to furnish buyers of the soups under the regulation with copies of "Instructions to Wholesalers and Retailers," text of which, as revised, follows.

Dear Wholesaler and Retailer:

You will be glad to know that for most wholesalers and retailers the formula established by Maximum Price Regulation No. 181 for pricing the new style canned soups is quite simple. Here it is:

$$\frac{A}{B} \times C = \textit{your ceiling price.}$$

In other words, all you do is divide A by B and multiply the result by C.

A is your present March ceiling for the *old style* soup.

B is what you would have had to pay to your supplier for that *old* style soup on June 30, 1942 (that is, your "replacement cost"); or if you prefer you may use the actual cost to you of those cans of such soup for which you charged the highest price during March.

C is the highest price any regular supplier, selected by you, is permitted to charge you for this *new style* soup. (Remember that all your regular suppliers must give you their new ceiling prices in writing before they may sell you any of the new style soups.)

This is how the new formula actually works:

Suppose, for example, that your March ceiling on the *old style* "X" brand tomato soup was 9¢ under the General Maximum Price Regulation and your supplier's price to you for that soup on June 30, 1942, was 6¢. And suppose your supplier writes you that his ceiling on the *new style* "X" brand is 7¢. Dividing 9 by 6, you get 1½ (or 1.50). Multiply this figure by 7 and you get 10½¢ as your ceiling price on the new style "X" brand tomato soup. When your answer includes a part of a cent, you may charge the nearest whole figure. Thus, in this case your ceiling would be 11¢.)

1. "Suppose I wish to use 'actual cost' instead of replacement cost (6¢) for figure "B". How do I determine it?"

A. Actual cost is merely what you paid to your supplier for those cans of the old style "X" brand tomato soup for which you charged the highest price during March 1942.

2. If I am pricing the new style "X" brand tomato soup and the old "X" brand tomato soup was put up in two styles, ready-to-serve and condensed, which is the "old style" soup for the purposes of the formula?

A. The condensed soup. If "X" brand had packed only a ready-to-serve tomato soup, that would have been the "old style" soup whose ceiling price you would take as a basis for determining your ceiling on the new style soup.

3. What if I didn't sell any of the old style "X" brand tomato soup during March?

A. You could probably price such old style soup on the basis of the other tests provided by the General Maximum Price Regulation, such as price quoted on your price list for March delivery, or March ceiling of your closest competitor.

4. Suppose I sold more than one can size of the old style "X" brand tomato soup. Which March ceiling and replacement (or actual) cost shall I take?

A. For figures "A" and "B" use the can size of "X" brand tomato soup of which you sold the greatest number of cans during 1941.

5. Suppose I have been regularly buying old style "X" brand tomato soup from more than one supplier, and at different prices. Which supplier's ceiling under Regulation No. 181 do I take in ascertaining figure "C"?

A. You may select the ceiling of any regular supplier.

6. Who is a "regular supplier"?

A. Any person who was regularly supplying you with the particular soup during January, February and March of 1942.

7. I sold the old style "X" brand tomato soup at 9¢ a can, three for 25¢. Suppose my ceiling for *one* can of the new style "X" brand tomato soup is 10½¢. How shall I figure my ceiling price for *three*?"

A. Just as you did for one can: Divide 25¢ by the June 30 replacement (or actual) cost of three cans (3 x 6¢, or 18¢). Multiply the result ($\frac{25}{18}$ or 1.39) by your supplier's ceiling for three cans of the new style tomato soup (3 × 7¢, or 21¢). This gives a ceiling of 29¢ for a three-can deal.

8. How do I compute my ceiling for "service" customers as distinct from my "cash-and-carry" customers?

A. Apply the formula separately to each class of purchaser for whom you had a separate price during March. In other words, your formula will have a different "A" figure for each class of purchaser as to which you have had a different price during March. An illustration of this is found in Question No. 7.

If your ceiling for any new style soup cannot be computed under Maximum Price Regulation No. 181, you should file an application with the Office of Price Administration, Washington, D. C., in conformity with Section 1341.54 thereof.

The sections prescribing labeling and the filing of records and reports are as follows:

§1341.56 *Distinctive labeling.*

Every canner, and any other person for whose account canned condensed soups covered by this Maximum Price Regulation No. 181 are packed or labeled, shall label each such soup sold by him in a manner calculated clearly to distinguish it, in the eyes of the ordinary casual purchaser at retail, from canned soups not covered by this Maximum Price Regulation No. 181, and shall file with the Office of Price Administration, Washington, D. C., on or before August 15, 1942, a sample of each new label required hereunder together with a sample of each label heretofore used, during the calendar years 1941 and 1942, on these respective canned soups not covered by this Regulation which were the most closely related to the canned condensed soups sold under this Maximum Price Regulation No. 181.

* * *

§ 1341.60 *Records and reports.*

(a) Every person who makes sales of canned condensed soups shall:

(1) Preserve for examination by the Office of Price Administration all their existing records which were the basis for the computations required by Section 1341.52 and Section 1341.53, and (2) preserve all records of the same kind as he has customarily kept, relating to the prices which he charged for canned condensed soups sold on and after July 18, 1942, and (3) file with the appropriate field office of the Office of Price Administration on or before August 15, 1942, for canners, and within 20 days respectively after the maximum prices for all canned condensed soups sold by them can first be determined hereunder, for wholesalers, a statement certified under oath or affirmation showing the maximum prices determined hereunder for each variety and can size of canned condensed soups, and all his customary allowances, discounts, and other price differentials, with the qualification that excepts as hereinafter provided retailers shall not be required to file their maximum prices, and (4) preserve a true copy of such statement for examination by any person during ordinary business hours. Any person who claims that substantial injury would result to him from making such statement available to any other person shall so notify the appropriate field office of the Office of Price Administration, and if he is a retailer he shall include with the notification a true copy of such certified statement. The information contained in such a statement will not be published or disclosed unless it is determined that the withholding of such information is contrary to the purposes of this Maximum Price Regulation No. 181.

(b) In addition to the foregoing, every canner who makes sales of canned condensed soups shall file with the Office of Price Administration, Washington, D. C., on or before August 15, 1942, a statement certified under oath or affirmation showing,

(1) The weighted average direct cost per dozen, as defined in Section 1341.52 hereof, of those varieties of canned soups packed during the calendar year 1941 which are related to the canned condensed soups being priced hereunder, in the respective can sizes which had the largest retail sale during the calendar year 1941;

(2) The weighted average price per dozen, as defined in Section 1341.52 hereof, charged by the canner during the calendar year 1941 for the canned soups specified in paragraph (b) (1);

(3) The direct cost per dozen, as defined in Section 1341.52 hereof, of the canned condensed soups which are being priced hereunder. If all or part of the direct cost is estimated by the canner a statement shall also be submitted showing the basis for such estimates;

(4) The maximum price for each variety and can size of such canned condensed soups, as determined under this Maximum Price Regulation No. 181;

(5) The uniform maximum price for any price line established under this Maximum Price Regulation No. 181, together with a schedule showing the varieties and can sizes of canned condensed soup included in such price line and the total sales volume of each such soup during the one-year period immediately preceding the date on which the uniform maximum price was computed hereunder; and

(6) A schedule showing the percentage of dry solids and the recommended dilution with water for:

(i) The canned condensed soups being priced hereunder; and

(ii) The related varieties of canned soups sold during the calendar year 1941.

(c) In addition to the foregoing, every canner whose uniform maximum price for the canned condensed soups included in any price line is revised under Section 1341.52, paragraph (d) hereof, shall within 20 days after the termination of the three-months period specified in such section and paragraph file with the Office of Price Administration in Washington, D. C.,

(1) The uniform maximum price, as revised;

(2) A statement of the extent to which the sales volume of each variety included in the price line has changed since the preceding price computation; and

(3) A statement of the respective sales volumes, in dozens of cans of each of the soups included in the price line, during the one-year period immediately preceding the termination of the three-months period specified above.

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## Method of Determining Monthly Spice Quota

The method which food processors and packers use in computing their monthly spice quotas is clarified by Interpretation No. 1 to Conservation Order M-127, issued July 25 by the War Production Board. The Interpretation also identifies the tree or plant and the fruit, bark, root, or other portion of the tree from which each spice regulated by M-127 is derived, and makes it clear that any products obtained

from any portions of the trees or plants not mentioned in the Interpretation are not subject to M-127.

Order M-127 places restrictions on the distribution of black and white pepper, pimento (allspice), cassia (cinnamon), cloves, ginger, nutmeg, and mace. It places quotas on the amount of each spice a packer may deliver, on the amount a wholesale receiver may accept, and on the amount an industrial receiver may use.

Interpretation No. 1 makes it clear that quotas are required to be computed and applied on the basis of a common weight equivalent.

Any packer, wholesale receiver, or industrial receiver who computes his quota as a certain number of pounds of dry spice may not deliver (if a packer), receive (if a wholesaler receiver), or use (if an industrial receiver) the same number of pounds of the same spice in distilled or extracted form. He is entitled to only the number of pounds of distilled or extracted spice which is produced from the number of pounds of dry spice representing his quota.

Similarly, if he computes his quota as a certain number of pounds of distilled or extracted spice, he is entitled to the amount of the spice in dry form which is equivalent to the number of pounds of distilled or extracted spice representing his quota.

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## AMA Invites Canned Carrot and Pea Offers

The Agricultural Marketing Administration announced July 22 that it would continue to accept offers for the sale of canned peas from canners certified by USDA War Boards as having agreed to pay minimum prices to growers. At the same time AMA announced a desire to purchase a quantity of canned carrots in No. 2, No. 2½, or No. 10 size cans, grade C or better, in any style pack except whole carrots. Offers for the sale of carrots are to be submitted to the Purchase Branch of AMA by August 3 for acceptance on August 6.

The prices that will be paid by AMA for canned peas offered under the continuation program are the same prices as those established for the original support program; namely, $1.10 per dozen No. 2's and $5 per dozen No. 10's. Canners may submit offers for any quantity of No. 2's or No. 10's, Alaskas or Sweets, in any sieve size meeting the requirements of grade C during any calendar week until October 31, 1942. Acceptances will be made not later than Wednesday of the following week.

Vendors awarded contracts under either of these purchase programs will be entitled to use symbol LL-14 (Production Requirements Plan of the War Production Board) in connection with purchases of materials required for completing such contracts.

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## Kodiak Herring Fishing Restriction Lifted

Closed seasons for herring fishing in the Kodiak area of Alaska have been suspended recently by the Fish and Wildlife Service of the U. S. Department of the Interior. The following closed periods were included in the suspension announcement: July 12 to July 18, August 16 to August 22, and September 20 to September 26.

## Canned Vegetable Price Support Program

As a supplement to this week's INFORMATION LETTER there is published a statement by the Department of Agriculture which outlines its price support program for canned vegetables. Because this supplement is of interest to all canners, copies of it are being mailed to the entire industry.

## FRUIT PRICE REGULATION ISSUED

### Maximum Prices Are Prescribed in OPA Order Which Becomes Effective July 29

Maximum Price Regulation No. 185, covering canned fruits and canned berries, was issued July 24 by the Office of Price Administration, and becomes effective July 29.

The INFORMATION LETTER for July 4 published Price Administrator Leon Henderson's announcement that the ceiling for canned and dried fruits was to be adjusted, and in the LETTER for July 11 appeared a summary of the formula to be used in computing maximum prices for new pack fruits and berries.

The Statement of Considerations on which Regulation No. 185 is based will be published in next week's LETTER. Following is text of the regulation as issued July 24.

## TITLE 32—NATIONAL DEFENSE

### Chapter XI—Office of Price Administration; Part 1341—Canned and Preserved Foods
### Maximum Price Regulation 185

#### CANNED FRUITS AND CANNED BERRIES

In the judgment of the Price Administrator, seasonal conditions and other factors affecting the sale of canned fruits and canned berries by canners have resulted in the establishment under the General Maximum Price Regulation of maximum prices for such sales which are not generally fair and equitable as applied to the 1942 pack and which are not best calculated to assist in securing adequate production of such commodities. The Price Administrator has ascertained and given due consideration to the prices of canned fruits and canned berries prevailing between October 1 and October 15, 1941, and has made adjustments for such relevant factors as he has determined and deemed to be of general applicability. So far as is practicable, the Price Administrator has advised and consulted with representative members of the industry which will be affected by this Regulation.

In the judgment of the Price Administrator, the maximum prices established for the canners of canned fruits and canned berries by this Regulation are and will be generally fair and equitable and will effectuate the purposes of the Emergency Price Control Act of 1942. A statement of the considerations involved in the issuance of this Regulation has been issued simultaneously herewith and has been filed with the Division of the Federal Register.

The maximum prices established herein are not below prices which will reflect to the producers of the raw agricultural commodities from which canned fruits and canned berries are manufactured, prices for their commodities equal

to the highest of any of the following prices therefor determined and published by the Secretary of Agriculture: (1) 110 per centum of the parity price for each such commodity, adjusted by the Secretary of Agriculture for grade, location and seasonal differentials; (2) the market prices prevailing for each such commodity on October 1, 1941; (3) the market prices prevailing for each such commodity on December 15, 1941; or (4) the average prices for such commodity during the period July 1, 1919 to June 30, 1929.

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, and in accordance with Procedural Regulation No. 1,[1] Maximum Price Regulation No. 185 is hereby issued.

Authority: §§ 1341.101 to 1341.113, inclusive, issued under the authority contained in Pub. Law 421, 77th Cong.

§ 1341.101. *Prohibition against dealing in canned fruits and canned berries above maximum prices.*

(a) On and after July 29, 1942, regardless of any contract or other obligation, no canner shall sell or deliver any canned fruits or canned berries packed after the 1941 pack at a price higher than the maximum price established pursuant to this Maximum Price Regulation No. 185.

(b) No person in the course of trade or business shall buy or receive any canned fruits or canned berries from a canner at a price higher than the maximum price established by this Maximum Price Regulation No. 185; and

(c) No canner or other person shall agree, offer, solicit or attempt to do any of the foregoing.

§ 1341.102 *Canner's maximum prices for canned fruits and canned berries.*

(a) The canner's maximum price per dozen f. o. b. factory, for each kind, grade, and container size of canned fruits or canned berries packed after the 1941 pack shall be: (1) The weighted average price per dozen f. o. b. factory charged by the canner for such kind, grade and container size during the first 60 days after the beginning of the 1941 pack; plus

(2) Ten per cent of the weighted average price per dozen f. o. b. factory, as determined under paragraph (a) (1) of this section; plus

(3) The actual increase per dozen cans in the cost of the raw agricultural commodity delivered at the factory for the 1942 pack over the cost of the same raw agricultural commodity delivered at the factory for the 1941 pack.

(b) In determining the canner's maximum price:

(1) The "weighted average price" shall be the total gross sales dollars charged for each kind, grade and container size, divided by the number of dozens sold of such kind, grade and container size. All sales of products of the 1941 pack made in the usual course of business within the first 60 days after the beginning of the 1941 pack shall be included, except sales made to the armed forces of the United States. Sales made prior to such period but delivered within such period, shall not be included.

(2) The "actual increase in the cost of the raw agricultural commodity" shall be the difference per dozen cans of each kind, grade and container size, between:

(i) The weighted average cost to the canner of the raw agricultural commodity purchased for the 1941 pack, computed by dividing the total amount paid by the number of tons or other units purchased; and

(ii) The weighted average of the prices per ton or other unit, paid or contracted to be paid by the canner to the grower for the same raw agricultural commodity in 1942, based on not less than the first 75 per cent of his 1942 purchases.

(iii) Any canner, to the extent he has incurred them, may include in the computation of his maximum prices, his increased costs of the raw agricultural commodity as determined under paragraph (b) (2) (i) and (b) (2) (ii) of this section, but not in excess of the amounts shown in the following table:

| Raw agricultural commodity: | Maximum permitted increase per ton |
|---|---|
| Apricots | $23.00 |
| Cherries, Red Sour Pitted | 50.00 |
| Cherries, Sweet | 56.00 |
| Figs | 34.00 |
| Peaches, Clingstone (including Clingstone Nectarines) | 7.00 |
| Peaches, Freestone (including Freestone Nectarines) | 15.00 |
| Pears | 15.00 |
| Plums | 2.00 |
| Prunes, Fresh | 13.00 |
| | per pound |
| Blackberries | .03 |
| Blueberries | .03 |
| Boysenberries | .03 |
| Cranberries | .03 |
| Gooseberries | .03 |
| Huckleberries | .03 |
| Loganberries | .03 |
| Raspberries, Black | .03 |
| Raspberries, Red | .03 |
| Strawberries | .03 |
| Youngberries | .03 |

(iv) In converting the increased cost of the raw agricultural commodity into increased cost per dozen cans for each grade and container size, the increase shall be allocated to each grade and container size in the same proportion as costs of raw materials in 1941 were allocated to each grade and container size.

(v) The actual increase per dozen cans in the cost of the raw agricultural commodity shall not be computed until the canner has purchased 75 per cent or more of his 1942 requirements. Such increase, as determined hereunder by a canner, shall be deemed to be his actual increase and shall not be subject to adjustment thereafter for later fluctuations in the cost of the raw agricultural commodity.

(vi) In determining and allocating to each container size the increased cost of the raw agricultural commodities used in canning fruit cocktail, fruit for salad, or the fruit and berry juices or nectars made from the fruits or berries listed in paragraph (b) (2) (iii) of this section, the increased cost of each component fruit or berry may be computed as set forth in the preceding paragraphs of this section and the increase apportioned to the various container sizes in the same proportion as the component fruits or berries are used in such container sizes.

(c) (1) If the maximum price for any grade and container size, except No. 10, of any canned fruits or canned berries cannot be determined under paragraphs (a) and (b) of this section, but if the canner has been able to determine his maximum price under said paragraphs for the dominant grade and container size of such canned fruits or canned berries, the maximum prices for the remaining grades and container sizes of the same canned fruits or canned berries, except No. 10 container size, shall be those prices which bear the same proportionate relationship to the maximum price for the dominant grade and container size as the price for each such grade and container size bore to the price of the dominant grade and container size in the

[1] 7 F.R. 971.

canner's opening price list in 1941, or, if the canner had no opening price list in 1941, the same proportionate relationship as the weighted average price of each such grade and container size bore to the weighted average price of the dominant grade and container size in sales made during the first 15 days after the beginning of the 1941 pack of the canned fruits or canned berries for which a maximum price is being determined.

(i) In determining maximum prices under paragraph (c) of this section the dominant grade and container size shall be the one of which the canner packed the most cases in 1941, and the weighted average price shall be computed as set forth in paragraph (b) (1) of this section.

(2) If the canner is unable to determine the maximum price of one or more grades of a particular kind of canned fruit or canned berry in a No. 10 container size under paragraphs (a) and (b) of this section, but can so determine the maximum price for one or more other grades of such canned fruit or canned berry in a No. 10 container size, the maximum prices for the grades not so determined shall be established in the manner provided in paragraph (c) (1), using as the dominant grade the grade for which the price has been so determined, or, if the price of more than one grade has been so determined, using as the dominant grade the one of those for which a price has been so determined of which the canner packed the largest number in 1941.

(d) If the maximum price for any kind, grade and container size of any canned fruits or canned berries cannot be determined under paragraphs (a), (b) and (c) of this section, the canner's maximum price for such kind, grade and container size shall be the maximum price of the most closely competitive canner for the same kind, grade and container size.

(e) If the canner's maximum price cannot be determined under paragraphs (a), (b), (c) and (d) of this section, the maximum price shall be a price determined by the canner after specific authorization from the Office of Price Administration, Washington, D. C., on application setting forth (1) a description in detail of the kind, grade and container size of the canned fruits or canned berries for which a maximum price is sought; and (2) a statement of the facts which differentiate such kind, grade and container size of canned fruits or canned berries from the most similar kind, grade, and container size for which he has determined a maximum price, stating such most similar kind, grade and container size and the maximum price determined therefor. When such authorization is given, it will be accompanied by instructions as to the method for determining the maximum price. Within ten days after such price has been determined, the canner shall report the price to the Office of Price Administration, Washington, D. C., under oath or affirmation. The price so reported shall be subject to adjustment at any time by the Office of Price Administration.

(f) Any canner who believes that the maximum prices determined pursuant to the provisions of this section for any particular brand of canned fruits or canned berries are such that they subject him to a hardship with respect to such brand, may apply to the Office of Price Administration, Washington, D. C., for authorization to compute separately his maximum price for each kind, grade and container size of such brand under the foregoing paragraphs of this section. Such application shall set forth, under oath or affirmation, (1) the maximum prices which would be established under this section for each kind, grade and container size of such brand if such prices for such brand were computed separately under the foregoing paragraphs of this section, (2) the number of years in which the canner has packed under such particular brand, (3) the amount of each kind, grade and container size of that particular brand packed by him during the 1941 pack, (4) the amount of the same kind, grade and container size packed by him during the 1941 pack which was not packed under such brand, (5) the extent to which the brand in question was used and advertised during the year 1941, (6) the price relationship between the particular brand in question and his other brands or unbranded canned fruits and canned berries of the 1941 pack, (7) the number of brands, other than the particular brand in question, under which the canner packed the same kind of canned fruits or canned berries in 1941, and (8) such other facts as the canner may deem relevant.

(g) The maximum price for each kind, grade and container size for a canner who owns more than one factory shall be determined separately for each factory, except that if any group of two or more factories located in the same growing or canning area had the same f. o. b. factory prices in 1941, the maximum prices shall be determined uniformly for the entire group by using the combined figures for all of the factories in the group in computing the maximum price under paragraphs (a), (b) and (c) of this section, or if that cannot be determined, by using the price of the most closely competitive canner, under paragraph (d) of this section, as the maximum price of the entire group. In applying for the specific authorization of a price under paragraph (e) of this section, the application may be made for a uniform maximum price for all of the factories in such group.

(h) Any canner who sold and delivered a particular brand of canned fruits or canned berries packed by him during the calendar year 1941 on an established uniform delivered price basis by zone or area, may add to the maximum price per dozen f. o. b. factory computed under the foregoing paragraphs of this section for each grade and container size of such brand of canned fruits or canned berries, the freight charge he added to his f. o. b. factory price during the calendar year 1941, for such grade and container size of such brand of canned fruits or canned berries in the same zone or area. The resulting price shall be the canner's maximum delivered price for such grade and container size of such brand of canned fruits or canned berries for the zone or area in which the same freight charge was used in 1941.

(i) In the event that a canner's maximum price determined under this Maximum Price Regulation No. 185 for United States Grade C (Standard) or better water pack red sour pitted cherries, No. 2 container size, amounts to less than $1.50 per dozen, the canner may use $1.50 as his maximum price for that grade and size and if his maximum price determined under this Regulation for the same commodity and grade in a No. 10 container size amounts to less than $7.50 per dozen, he may use $7.50 as his maximum price for that size and grade.

(j) No canner shall change his customary allowances, discounts or other price differentials, including price differentials between different classes of purchasers and price differentials between brands, except when authorized to compute brand differentials pursuant to paragraph (f) of this section, unless such change results in a lower price.

§ 1341.103 *Less than maximum prices.*

Lower prices than those established by this Maximum Price Regulation No. 185 may be charged, demanded, paid or offered.

§ 1341.104 *Transfer of business or stock in trade.*

If the business, assets or stock in trade of a canner are sold or otherwise transferred on or after the effective date of this Maximum Price Regulation No. 185, and the transferee carries on the business, the maximum prices of the transferee shall be the same as those to which his transferor would have been subject if no such transfer had taken place and his obligation to keep records sufficient to verify such prices shall be the same. The transferor shall either preserve and make available, or turn over to the transferee, all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the record provisions contained in his Maximum Price Regulation No. 185.

§ 1341.105 *Evasion.*

The price limitations set forth in this Maximum Price Regulation No. 185 shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, delivery, purchase or receipt of or relating to canned fruits or canned berries, alone or in conjunction with any other commodity or by way of any commission, service, transportation or other charge or discount, premium or other privilege, or by tying-agreement or other trade understanding, or otherwise.

§ 1341.106 *Records and reports.*

Every canner who makes sales of canned fruits or canned berries packed after the 1941 pack, shall (a) preserve for examination by the Office of Price Administration for a period of two years all his existing records which were the basis for the computations required by § 1341.102, and (b) preserve for the same period all records of the same kind as he has customarily kept, relating to the prices which he charged for canned fruits or canned berries sold on and after July 29, 1942, and (c) file with the Office of Price Administration, Washington, D. C., within 10 days after determining his maximum prices for each kind of canned fruits or canned berries, a statement certified under oath or affirmation showing his weighted average price and his increase in the cost of the raw agricultural commodity, as determined under § 1341.102 hereof, together with the maximum price determined hereunder for each grade and container size of such kind of canned fruits or canned berries and all his customary allowances and discounts, and (d) in those cases in which the maximum price of any kind, grade and container size of canned fruits or canned berries was determined by the maximum price of the most closely competitive canner, showing the maximum price of such kind, grade and container size and the name and address of the canner whose maximum price was so adopted, and (e) in those cases in which a canner made sales and deliveries of a particular brand of canned fruits or canned berries packed by him in 1941 on an established uniform delivered price basis by zone or area, showing his maximum price per dozen f. o. b. factory for each grade and size of such brand of canned fruits or canned berries, the freight charge which he added to his f. o. b. factory price during the calendar year 1941 for each zone or area and the maximum delivered price for each kind, grade and container size of canned fruits or canned berries packed after the 1941 pack delivered in each zone or area, and (f) preserve for a period of two years a true copy of each such statement filed with the Office of Price Administration for examination by any person during ordinary business hours. Any canner who claims that substantial injury would result to him from making any such statement available to any other person, may file such copy of such statement with the appropriate field office of the Office of Price Administration. The information contained in such statement will not be published or disclosed unless it is determined that the withholding of such information is contrary to the purposes of this Maximum Price Regulation No. 185.

§ 1341.107 *Penalties.*

Persons violating any provisions of this Maximum Price Regulation No. 185, are subject to the criminal penalties, civil enforcement actions and suits for treble damages provided for by the Emergency Price Control Act of 1942.

§ 1341.108 *Petitions for amendment.*

Persons seeking a modification of this Maximum Price Regulation No. 185 may file a petition therefor in accordance with the provisions of Procedural Regulation No. 1, issued by the Office of Price Administration.

§ 1341.109 *Applicability.*

The provisions of this Maximum Price Regulation No. 185 shall be applicable to the United States, its territories and possessions, and the District of Columbia.

§ 1341.110 *Definitions.*

(a) When used in this Maximum Price Regulation No. 185 the term:

(1) "Persons" includes an individual, corporation, partnership, association, any other organized group of persons, legal successors or representatives of any of the foregoing and includes the United States, any agency thereof, any other Government, or any of its political subdivisions and any agency of any of the foregoing.

(2) "Canner" means a person who preserves by heating and hermetically sealing in containers of metal, glass or any other material any of the products defined herein as canned fruits or canned berries.

(3) "Canned fruits" means the following fruits and products preserved by heat and hermetically sealed in containers of metal, glass or any other material:

Apricots.
Cherries, Red Sour Pitted.
Cherries, Sweet.
Figs.
Fruit Cocktail.
Fruits for Salad.
Fruit Juices and Nectars, plain or mixed, made from the fruits listed in this paragraph.
Peaches, Clingstone (including Clingstone Nectarines).
Peaches, Freestone (including Freestone Nectarines).
Pears.
Plums.
Prunes, Fresh.

(4) "Canned berries" means the following berries and products preserved by heat and hermetically sealed in containers of metal, glass or any other material:

Berry juices, made from the berries listed in this paragraph.
Blackberries.
Blueberries.
Boysenberries.
Cranberries.
Gooseberries.
Huckleberries.
Loganberries.
Raspberries, black.
Raspberries, red.
Strawberries.
Youngberries.

(5) "1941 pack" of any canned fruits or canned berries shall be that pack the major portion of which was processed and hermetically sealed in containers of metal, glass or any other material during the calendar year 1941.

(6) "The most closely competitive canner" means the canner who

(a) Sells to the same class of buyers,

(b) Packs the same or similar quality range of the product in question,

(c) Has sold in the past the same kind of canned fruits or canned berries at approximately the same prices as the canner establishing a maximum,

(d) Has used the same general merchandising methods, and

(e) Is located in the same general growing and packing area, or if there is no such canner in the same general growing and packing area, is located in the nearest growing and packing area.

(7) Unless the context otherwise requires, the definitions set forth in section 302 of the Emergency Price Control Act of 1942 shall apply to other terms used herein.

§ 1341.111 *Sales for export.*

The maximum price at which a person may export canned fruits and canned berries shall be determined in accordance with the provisions of the Revised Maximum Export Price Regulation[1] issued by the Office of Price Administration.

§ 1341.112 *Applicability of the General Maximum Price Regulation.*

This Maximum Price Regulation No. 185 supersedes the provisions of the General Maximum Price Regulation with respect to sales or deliveries of canned fruits and canned berries by canners for which maximum prices are established by this regulation.

§ 1341.113 *Effective date.*

This Maximum Price Regulation No. 185 (§§ 1341.101 to 1341.113 inclusive) shall become effective July 29, 1942.

Issued this 24th day of July 1942.

LEON HENDERSON,
*Administrator.*

[1] 7 F.R. 5039.

## Gasoline Coupon Requirements for Trucks

The new gasoline rationing regulations which went into effect July 22 make it impossible for truck operators to purchase gasoline in the 17 Atlantic Seaboard States without coupon books:

Coupon books for trucks traveling into the rationed area from other parts of the country must be obtained from the Special Gasoline Rationing Board, 1740 Massachusetts Ave., Washington, D. C.

For trucks operating within the rationed area, coupon books may be obtained from the local rationing boards.

Heretofore, commercial vehicles have been permitted to purchase unlimited amounts of gasoline without cards or permits.

The reminder that coupon books have been required since July 22 was issued by the Office of Defense Transportation owing to the fact that very few applications have been submitted to the Special Gasoline Rationing Board by operators outside the rationed area. This was taken as an indication that such truckers generally were not familiar with the new regulations of the Office of Price Administration.

Application forms will be mailed to truck operators by the Special Washington Board upon request.

Coincident with the effective date of the new gasoline rationing program, gasoline deliveries in a buffer zone adjacent to the eastern seaboard area were reduced 25 per cent, by Limitation Order L-70, as amended. The zone includes all counties in western New York, Pennsylvania, Maryland, Virginia, and West Virginia, and 76 additional counties in eastern Tennessee and Alabama.

## CONTRACT CARRIER RATE ORDER ISSUED

### All Truck and Water Contract Carriers Must Adjust Charges to OPA Levels

Contract carriers by truck and water must adjust their rates on August 1 so as not to exceed the highest levels permitted by the General Maximum Price Regulation, the Office of Price Administration has announced.

The ceilings will apply to all interstate as well as intrastate carriers other than those serving the general public as common carriers. Applicability of price control to contract carrier rates had been deferred to August 1 to give those operators engaged in war activities time to conform to the regulation.

Letters notifying all interstate contract carriers subject to the jurisdiction of the Interstate Commerce Commission that on and after August 1 their rates cannot exceed the highest levels they charged in March have been sent out by OPA. The Commission has assured OPA that it will waive its usual 30-day requirement and authorize these carriers to adjust their rate schedules on short notice wherever necessary to comply with the price regulations by August 1.

OPA also announced that carriers who complain that their March rates subject them to undue hardship may make applications for adjustment in accordance with the usual procedural regulations.

In this connection Price Administrator Leon Henderson added that a working arrangement has been entered into with the ICC for cooperative consideration of the applications for adjustment, and that the Commission's recommendations will be given due consideration by OPA, especially in those cases where the Commission, after hearing, has found or may find that certain minimum rates are essential to the national transportation policy.

To bring contract carriers and persons selling related service under a single price regulation, whether the services are performed at industrial, commercial or retail levels, Amendment No. 2 to Maximum Price Regulation No. 165—Consumer Service—was issued, placing the following services under GMPR, regardless of the level at which the services are performed:

> Transportation services of carriers other than common carriers; commercial storage and warehousing and services incident thereto, and terminal services.

Prior to this amendment these services were covered by GMPR when rendered for industrial or commercial users, and under the Consumer Service Regulation when rendered for all other consumers.

## ODT ISSUES NEW TRUCK ORDER

### Farm Products Given Temporary Exemption From Mileage Reduction Requirement

Under a General Permit to the Office of Defense Transportation's new order governing the operation of contract and private truck carriers, issued July 23, the transportation of farm products to processing establishments is exempt until October 31 from the 25 per cent mileage reduction requirement, the limitation on more than one trip per day from the same point of origin, and the necessity of checking with joint information offices—three of the main provisions of the new order.

Two important provisions of the order, however, are not affected by the General Permit exemption. These are a 40-mile an hour limitation on speed and the requirement that operators maintain records that show, for each calendar month, the mileage of each truck operated by the carrier.

The order, General Order ODT No. 17, takes the place of Orders No. 4, No. 5, and portions of No. 6 governing local delivery operations. Orders No. 4 and No. 5 were suspended recently pending the issuance of this new order which becomes effective August 1.

As reported in the INFORMATION LETTER for May 16, the Association had filed an appeal with ODT requesting that its regulations be modified to permit the normal use of canners' trucks for hauling raw products.

Following is the text of the General Permit and the sections of the order from which canners are exempt until October 31. A full discussion of the application of the order to canners will be presented in next week's issue of the LETTER.

In accordance with the provisions of General Order O. D. T. No. 17, *it is hereby authorized*, that:

§ 521.2875 *Transportation of farm products and supplies.* Motor carriers when operating a motor truck engaged exclusively in the transportation of farm products from a farm or farms to a concentration or storage point, processing or packing plant, dehydrating, brining, freezing, or grading place, cannery, mill, warehouse, stockyard, wholesale or retail market, or to a rail or a water carrier, or when operating a motor truck engaged exclusively in the transportation of farm supplies to a farm or farms, are hereby relieved, in respect of trucks so engaged, from compliance with the provisions of § 501.67, paragraph (c) of § 501.68, and subparagraph (2) of paragraph (a) of § 501.69 for a period of ninety-two (92) days commencing August 1, 1942 and ending October 31, 1942.

§ 501.67 *Mileage reduction requirements.* Each motor carrier shall reduce the total mileage of motor trucks operated in each operating unit during any calendar month, by not less than twenty-five (25) per cent of the total mileage of motor trucks operated by such carrier in the same operating unit during the corresponding calendar month of 1941, exclusive of the mileage eliminated as a result of the requirements of § 501.68. In the event any such carrier was not operating in the same operating unit during the corresponding calendar month of 1941, the mileage of motor trucks operated by such carrier in such operating unit during the month of May, 1942, shall be used as a basis for computing the reduction in monthly motor truck mileage required herein. Motor carriers not engaged in operations in any operating unit prior to June 1, 1942, shall not institute or continue such operations until the mileage which such carrier may operate in such operating unit shall have first been determined and authorized by the Office. If operations in any operating unit of any such carrier were increased between the month for which current reduction is being computed and the corresponding month of 1941, as a result of the acquisition of any motor truck operations of any other carrier, there shall be added to the total mileage of motor trucks operated in such operating unit by such acquiring carrier for the month which constitutes the basis for such reduction, the total mileage of motor trucks engaged in the acquired operations during the corresponding month of 1941, or if such operations were not being conducted during such month, then during the last month of such operations prior to the date of such acquisition. If any portion of the operations in any operating unit of such carrier were decreased between the month for which current reduction is being computed and the corresponding calendar month of 1941, as a result of the sale, lease or transfer of any motor truck operations, the total mileage of motor trucks operated in any operating unit by such carrier for the month which constitutes the basis for such reduction, shall be reduced by the total mileage of motor trucks operated in that portion of the operating unit so disposed of by such carrier.

§ 501.68 *Special deliveries, call backs, number of deliveries.* Except as provided in § 501.70 of this subpart, no person shall cause to be made by motor truck and no motor carrier when operating a motor truck shall make:

* * *

(c) More than one delivery from any one point of origin to any one point of destination during any calendar day except:

(1) When the property to be delivered exceeds the capacity load of the motor truck engaged in the delivery thereof, in which event each delivery, except the final delivery, shall be a capacity load delivery; or

(2) One additional delivery when the property to be delivered requires the use of a motor truck, other than the type used in making the first delivery, specially adapted for and used exclusively in the transportation of such property; or

(3) One additional delivery when made for the purpose of picking up empty containers if such additional delivery is made without increasing the mileage of any motor truck; or

(4) One additional delivery on the day next preceding a national holiday when such holiday falls on a Saturday, or on the Saturday next preceding a national holiday when such holiday falls on a Monday, provided such contract carrier does not make any delivery on such holiday.

§ 501.69 *Loading and operating requirements.*

(a) No motor carrier shall operate any motor truck in over-the-road service unless it is loaded to capacity, except as follows:

* * *

(2) On and after September 1, 1942, each motor carrier and its representatives, including the representative in immediate control and possession of the truck, shall endeavor in good faith prior to its departure from any point when empty to lease or rent such truck consistent with any prior commitments involved in the use of said truck en route, to another person for the transportation of property. In endeavoring to lease or rent such truck, each such carrier and its representative or representatives shall inquire at and register with the joint information office established at or near such point pursuant to General Order O. D. T. No. 13, or by a State with the approval of the Office of Defense Transportation, and if there be no such office at or near such point, shall make appropriate inquiries of other carriers at their offices or terminals, or both, located at such point.